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ABSTRACT

The bill is designed to amend the Public Health Service Act in order to revise and extend the programs of assistance under Title VII for training in the health and allied health professions, and to revise the National Health Service Corps scholarship training program. The bill details the exact additions and deletions to be made in the original Act. The amendments are organized around the original topics of the Act: Title I--extension of current authorities through fiscal year 1975; Title II--general provisions; Title III--assistance for construction of teaching facilities; Title IV--student assistance and National Health Service Corps; Title V--grants for health profession schools; Title VI--special project grants and contracts; Title VII--public and allied health personnel; Title VIII--medical residency training programs; and Title X--miscellaneous (physician distribution, education of allied health personnel, study of allied health personnel, study of funding alternatives for health professions education, and recovery). (Author/PR)

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Union Calendar No. 127

94th CONGRESS
1st Session

H. R. 5546

[Report No. 94-266]

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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IN THE HOUSE OF REPRESENTATIVES

March 26, 1975

Mr. Rogers (for himself, Mr. Preyer, Mr. Symington, Mr. Carney, Mr. Scheuer, Mr. Waxman, Mr. Hefner, Mr. Florio, Mr. Wirth, Mr. Carter, Mr. Broyhill, Mr. Hastings, and Mr. Heinz) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

June 7, 1975

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT; EFFECTIVE DATE; TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Health Manpower Act of 1975".

CE 004977

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

(c) Except as otherwise specifically provided, the ~~amendments made by titles II, III, IV, V, VI, and VII shall take effect July 1, 1975. The amendments made by such titles to provisions of title VII of the Public Health Service Act are made to such provisions as amended by title I.~~ *amendments made by titles II, III, IV, V, VI, and VII shall take effect July 1, 1975. The amendments made by such titles to provisions of titles III and VII of the Public Health Service Act are made to such provisions as amended by title I.*

TABLE OF CONTENTS

Sec. 1. Short title; reference to Act; effective date; table of contents.

TITLE I—EXTENSION OF CURRENT AUTHORITIES THROUGH FISCAL YEAR 1975

Sec. 101. Extension.

TITLE II—GENERAL PROVISIONS

Sec. 201. New general provisions.
Sec. 202. Advisory council.
Sec. 203. Advance funding authority.
~~Sec. 204. Discrimination.~~
Sec. ~~205.~~ *204.* Records and audit.
Sec. ~~206.~~ *205.* Delegation of authority.
Sec. ~~207.~~ *206.* Active service under Soldiers' and Sailors' Civil Relief Act.

TABLE OF CONTENTS—Continued

TITLE III—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

Sec. 301. Grant authority; authorizations.
Sec. 302. Grant amounts.
Sec. 303. Loan guarantees and interest subsidies.
Sec. 304. Technical and conforming amendments.

TITLE IV—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

Sec. 401. Student loan agreements.
Sec. 402. Loan provisions.
Sec. 403. Authorization of appropriations.
Sec. 404. Distribution of assets.
Sec. 405. Loans to schools.
Sec. 406. Technical and conforming amendments.
Sec. 407. Public health traineeships.
Sec. 408. Scholarships.
Sec. 409. Revision of National Health Service Corps Program.

TITLE V—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

Sec. 501. Grant amounts; authorizations.
Sec. 502. Grant requirements.
Sec. 503. Start-up grants.
Sec. 504. Financial distress grants.
Sec. 505. Technical and conforming amendments.

TITLE VI—SPECIAL PROJECT GRANTS AND CONTRACTS

Sec. 601. Family medicine and general practice of dentistry.
Sec. 602. Family medicine training project grants.
Sec. 603. Assistance to disadvantaged students.
Sec. 604. Area health education centers.
Sec. 605. Project grants and contracts for schools of optometry, pharmacy, and podiatry.
Sec. 606. Computer technology.
Sec. 607. Emergency medical services training.
Sec. 608. Education of United States students returning from foreign medical schools.
Sec. 609. Physicians assistants and expanded function dental auxiliaries.
Sec. 610. General provisions.
Sec. 611. Repeals and technical amendment.

TITLE VII—PUBLIC AND ALLIED HEALTH PERSONNEL

Sec. 701. Public and allied health personnel.

TITLE VIII—MEDICAL RESIDENCY TRAINING PROGRAMS

Sec. 801. Medical residency training programs.

TABLE OF CONTENTS—Continued

TITLE IX—MISCELLANEOUS

Sec. 901. Study of distribution of physicians.
Sec. 902. Quality assurances respecting education and training of allied health personnel.
Sec. 903. Allied health personnel study.
Sec. 904. Study of funding alternatives for health professions education.
Sec. 905. Recovery.

TITLE I—EXTENSION OF CURRENT AUTHORITIES THROUGH FISCAL YEAR 1975

EXTENSION

SEC. 101. (a) Sections 312(a), 313(a), and 313(c) (relating to traineeships for public health personnel and graduate training in public health) are each amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) Section 329(h) (relating to the National Health Service Corps) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(c) Section 720 (relating to grants for construction of teaching facilities) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 729 (relating to loan guarantees and interest subsidies) is amended—

(1) by striking out "1974" in subsections (a) and (b) and inserting in lieu thereof "1975",

(2) by inserting after "1974" in subsection (e) the following: ", and in the next fiscal year".

(e) Section 747 (d) (relating to loans for students in foreign medical schools) is amended by striking out "two" and inserting in lieu thereof "three".

(f) The section 767 entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN FAMILY MEDICINE" is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(g) The section 768 entitled "GRANTS FOR SUPPORT OF POST-GRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS" is amended—

(1) by striking out "for the fiscal year ending June 30, 1974" in subsection (a) and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975"; and

(2) by inserting "and the next fiscal year" after "1974," in subsection (b) (3) (B).

(h) Section 769 (a) (relating to grants for training for health professions teaching personnel) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(i) Section 769A (relating to grants for computer technology) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(j) Paragraphs (1) and (2) of section 770(j) (relating to capitation grants) are each amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(k) Section 771 (relating to start-up assistance) is amended (1) by striking out "two" in subsection (a)(6) and inserting in lieu thereof "three", (2) by striking out "July 1, 1974" in subsection (b)(2) and inserting in lieu thereof "July 1, 1975", and (3) by striking out "June 30, 1975" in such subsection and inserting in lieu thereof "June 30, 1976".

(l) Section 772(d) (relating to special project grants and contracts) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(m) Section 773 (a) (relating to financial distress grants) is amended by striking out "for the fiscal year ending June 30, 1974" *the first time it appears* and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(n) Section 774 *(c)* (relating to education initiative awards) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(o) Section 780 (relating to scholarship grants) is amended (1) by striking out "the next fiscal year" in subsection (b) and inserting in lieu thereof "the next two fiscal years", (2) by striking out "1974" in such subsection and subsection (c) (1) (B) and inserting in lieu thereof "1975", (3) by striking out in subsections (b) and (c) (1) (B) "June 30, 1975" and inserting in lieu thereof "June 30, 1976" and (4) by striking out "two" in subsection (c) (1) (A) and inserting in lieu thereof "three".

(p) The section 785 entitled "SCHOLARSHIP GRANTS FOR STUDY ABROAD" is amended (1) by striking "two" in subsection (e) (1) and inserting in lieu thereof "three", (2) by striking out "1975" in subsection (e) (2) and inserting in lieu thereof "1976", and (3) by striking out in such subsection "1974" and inserting in lieu thereof "1975".

(q) Section 786 (relating to physician shortage area scholarships) is amended (1) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975", (2) by striking out "1975" and inserting in lieu thereof "1976", and (3) by striking out "1974" and inserting in lieu thereof "1975".

(r) (1) Section 792 (b) (relating to special improvement grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(2) Section 792 (c) (1) (relating to special projects) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(3) Section 793 (a) (relating to traineeships for advanced training) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(4) Section 794A (b) (relating to assistance for recruitment) is amended by striking out "for the fiscal year end-

ing June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

TITLE II—GENERAL PROVISIONS

NEW GENERAL PROVISIONS

SEC. 201. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) (1) The heading for part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS"

(2) The heading for part ~~H~~ *H* of title VII is repealed.

(d) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:";

(2) by inserting "or an equivalent degree" after "degree in public health" in paragraph (4); and

(3) by adding at the end the following new paragraphs:

"(7) (A) The term 'program for the training of physician assistants' means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to effectively provide primary health care under the supervision of a physician and (ii) meets guidelines prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate professional organizations, the Secretary shall prescribe guidelines for programs for the training of physician assistants. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing students to deliver primary health care; and

"(ii) have an enrollment of not less than eight students.

"(8) (A) The term 'programs for the training of nurse practitioners' means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which (i) have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions, and (ii) meet guidelines prescribed by the Secretary in accordance with subparagraph (B).

“(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

“(i) extend for at least one academic year and consist of—

“(I) supervised clinical practice, and

“(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

“(ii) have an enrollment of not less than eight students.

“(9) (A) The term ‘program for the training of expanded function dental auxiliaries’ means an educational program which (i) has as its objective the education of individuals who will, upon completion of ~~their studies in the program, be qualified to effectively provide~~

an accredited program of studies, be qualified to assist in the provision of primary dental care under the supervision of a dentist and (ii) meets guidelines prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate professional organizations, the Secretary shall prescribe guidelines for programs for the training of expanded function dental auxiliaries. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing students to deliver primary dental care; and

"(ii) have an enrollment of not less than eight students."

(e) The Secretary of Health, Education, and Welfare shall within ninety days of the date of the enactment of this Act prescribe the guidelines for programs for the training of physician assistants, nurse practitioners, and expanded function dental auxiliaries specified in the amendment made by subsection (d) (3) of this section.

ADVISORY COUNCIL

SEC. 202. (a) The second sentence of subsection (a) of section 702 (as so redesignated) is amended to read as follows: "Of the appointed members of the Council (1) twelve shall be representatives of the health professions schools assisted under programs authorized by this title, including at least six persons experienced in university administration and at least one representative of schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and entities which may receive a grant under section 791, (2) two shall be full-time students enrolled in health professions schools, and (3) six shall be members of the general public.".

(b) (1) The amendment made by subsection (a) with respect to composition of the National Advisory Council on Health Professions Education shall apply with respect to appointments made to the Council after June 30, 1975, and the Secretary of Health, Education, and Welfare shall make appointments to the Council after such date in a manner which will bring about, at the earliest feasible time, the Council composition prescribed by the amendment.

(2) Section 702 (as so redesignated) is amended by striking out "E, and F" in subsection (a) and inserting in lieu thereof "E, F, and G".

(3) Section 702 (as so redesignated) is amended by striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part H".

ADVANCE FUNDING AUTHORITY

Sec. 203. Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"Sec. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

~~DISCRIMINATION~~

~~Sec. 204. Section 704 (as so redesignated) is amended to read as follows:~~

~~"DISCRIMINATION PROHIBITED~~

~~"Sec. 704. (a) (1) No—~~

~~"(A) school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, or~~

~~"(B) entity which provides training of allied or public and community health personnel,~~

~~may discriminate, on the basis of race, color, national origin, religion, or sex, in the admission of individuals to any of its training programs for any academic year which begins after calendar year 1975 if during any part of such academic year the school or entity is receiving funds under a grant, contract, loan, or interest subsidy under this title or if during any part of such academic year a loan guarantee under this title for the benefit of such school or entity is in effect.~~

~~"(2) (A) (i) A school or entity shall be in violation of paragraph (1) if it utilizes admissions standards under which individuals are accorded a preference on the basis of their race, color, national origin, religion, or sex or if it utilizes any other means to effect the discrimination prohibited by such paragraph.~~

~~"(ii) A school or entity shall not be in violation of paragraph (1) because of appropriate affirmative actions taken by the school or entity to provide compensatory education and counseling or other assistance to disadvantaged individuals in meeting admissions requirements.~~

~~"(B) In the case of a school of medicine which—~~

~~"(i) on the date of the enactment of the National Research Service Award Act of 1974 was in the process of changing its status as an institution which admits only female students to that of an institution which admits students without regard to their sex, and~~

~~"(ii) is carrying out such change in accordance with a plan approved by the Secretary.~~

~~the provisions of paragraph (1) shall not apply with respect to such a school for academic years beginning before July 1, 1979.~~

~~"(b) The Secretary may not approve an application of a school or entity described in subsection (a) (1) for a grant, contract, loan, interest subsidy, or loan guarantee under this title for a fiscal year beginning after fiscal year 1976 unless the application contains or is supported by assurances satisfactory to the Secretary that the school or entity will not discriminate in violation of subsection (a) (1) in the admission of individuals to its training programs.".~~

RECORDS AND AUDITS

SEC. ~~205~~ *204*. Part A of title VII is amended by adding after section 704 (as so redesignated) the following new section:

"RECORDS AND AUDITS

"SEC. 705. (a) Each recipient of a grant or contract under this title shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the funds paid to it under such grant or contract, the total cost of the project or undertaking for which such grant or contract is made, and the amount of the portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) Each recipient of a grant or contract under this title shall provide for an annual financial audit of any books, accounts, financial records, files, and other papers or property which relate to the disposition or use of the funds received under such grant or contract. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received under such a grant or contract, each such audit shall be conducted in accordance with such requirements concerning the individual or agency which conducts the audit, and such standards applicable to the performance of the audit, as the Secretary may by regulation provide. The report of each such audit shall be filed with the Secretary at such time and in such manner as he may by regulation prescribe.

"(c) The recipient of a scholarship or traineeship under this title or a grant under subsection (f) or (g) of section 747 shall not with respect to the scholarship, traineeship, or grant be required to keep the records prescribed under subsection (a) or provide for the audit prescribed by subsection (b).".

DELEGATION OF AUTHORITY

SEC. ~~206~~ *205*. Part A of title VII is amended by adding after section 705 (added by section ~~205~~ *204*) the following new section:

"DELEGATION

"SEC. 706. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices of the Department of Health, Education, and Welfare, except that the authority—

"(1) to review, and prepare comments on the merit of, any application for a grant or contract under any such program for purposes of presenting such application to the National Advisory Council on Health Professions Education, and

"(2) to make such a grant or enter into such a contract,

shall not be delegated to any administrator of, or officer in, a regional office or offices of the Department.".

ACTIVE SERVICE UNDER SOLDIERS' AND SAILORS' CIVIL RELIEF ACT

SEC. ~~207~~ *206*. Section 212 is amended by adding after subsection (d) the following new subsection:

"(e) Active service of commissioned officers of the Service shall be deemed to be active military service in the Armed Forces of the United States for the purposes of all rights, privileges, immunities, and benefits now or hereafter provided under the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App. U.S.C. 501 et seq.).".

TITLE III—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

GRANT AUTHORITY; AUTHORIZATIONS

SEC. 301. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities (including teaching hospitals) for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(b) For payments under grants under this part, there is authorized to be appropriated $25,000,000 for fiscal year 1976, $25,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.".

GRANT AMOUNTS

SEC. 302. (a) (1) Subsection (a) of section 722 is amended to read as follows:

"(a) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that (1) no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary of such project, and (2) any grant for a construction project for teaching facilities for the training of physicians located in a State which has no such facilities shall cover 80 per centum of its construction costs unless the Secretary determines a grant for such portion of such costs is not needed.".

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1975.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

(c) Subsection (e) of section 721 is amended by adding at the end the following new sentence: "In considering applications submitted for a grant under this part for the cost of construction of teaching facilities for the training of physicians, the Secretary shall give special consideration to projects in States which have no such facilities.".

LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 303. (a) Subsections (a) and (b) of section 729 are each amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978".

(b) The second sentence of section 729(e) is amended by striking out "and" after "June 30, 1973," and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "$2,000,000 in fiscal year 1976, $3,000,000 in fiscal year 1977, and $3,000,000 in fiscal year 1978."~~, and the fourth sentence of such section is amended by inserting a period after "Treasury" the second time it appears in that sentence and by striking the remainder of that sentence~~.

(c) (1) The third sentence of section 729 (a) is amended to read as follows: "No such loan guarantee may, except under special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant under this part or any other law of the United States, exceeds 90 per centum of the cost of the construction of the project.".

(2) The amendment made by paragraph (1) shall apply with respect to loans guaranteed under section 729 (a) of the Public Health Service Act (redesignated section 727 (b) by section 304 (b) of this Act) after June 30, 1975.

(d) Subsections (a) and (b) of section 729 are each amended by inserting "or the Federal Financing Bank" after "non-Federal lender".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 304. (a) Section 721 (c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a–276a–5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950

(15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c)."; and

(5) by striking out "725" in the last sentence and inserting in lieu thereof "702".

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

TITLE IV—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

STUDENT LOAN AGREEMENTS

SEC. 401. (a) Subsection (b) of section 740 is amended (A) by striking out "and" at the end of paragraph (4), (B) by redesignating paragraph (5) as paragraph (6), and (C) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary: and".

LOAN PROVISIONS

SEC. 402. (a) Subsection (a) of section 741 is amended to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for any academic year (or its equivalent) the sum of—

"(1) the cost of tuition for each year at the school for which such fund was established, and

"(2) $2,500."

(b) Subsecton (c) of section 741 is amended by striking out "3 per centum" and inserting in lieu thereof "7 per centum".

(c) The amendment made by subsections (a) and (b) shall apply with respect to loans made after June 30, 1975, from the student loan funds established under section 740 of the Public Health Service Act.

(d) In the case of any individual who, on or after November 18, 1971, and before the date of the enactment of this Act, met the requirements of subparagraphs (A) and (B) of section 741 (f) (1) of the Public Health Service Act and who practiced his profession in an area described in subparagraph (C) of such section (as in effect before the date of the enactment of this Act) while a member of the National Health Service Corps or as an officer of the Regular or Reserve Corps of the Public Health Service or as a civilian employee of the Public Health Service, the individual shall, for purposes of section 741 (f) of such Act, be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

AUTHORIZATION OF APPROPRIATIONS

SEC. 403. Effective with respect to appropriations under section 742 of the Public Health Service Act for fiscal years beginning after June 30, 1975, subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $30,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $30,000,000 for fiscal year 1978. For fiscal year 1979 and each of the two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before September 30, 1978, to continue or complete their education."

DISTRIBUTION OF ASSETS

SEC. 404. Section 743 is amended by striking out "June 30, 1977" and "September 30, 1977" each place they occur and inserting in lieu thereof "September 30, 1981" and "December 31, 1981", respectively.

LOANS TO SCHOOLS

SEC. 405. (a) Section 744 is repealed.

~~(b)~~ *(b)* The health professions education fund created within the Treasury by section 744(d)(1) of the Public Health Service Act shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(c) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 744 (b) of the Public Health Service Act before June 30, 1975.

(d) Section 742 (b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "whether as Federal capital contributions or as loans to schools under section 744)" in paragraph (3).

(e) Section 743 (b) is amended by striking out " (other than so much of such fund as relates to payments from the revolving fund established by section 744 (d)) ".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 406. (a) Section 746 is repealed.

(b) Section 740 is amended (A) by striking out "of

Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

(c) Section 745 is redesignated as section 744.

(d) (1) The heading for part C of title VII is amended to read as follows:

~~"Subpart I—Student Loans".~~

~~(2) The heading for subpart I of part C of title VII is amended to read as follows:~~

~~"SUBPART I—STUDENT LOANS".~~

"PART C—STUDENT ASSISTANCE".

(2) The heading for subpart I of part C of title VIII is amended to read as follows:

"SUBPART I—STUDENT LOANS".

PUBLIC HEALTH TRAINEESHIPS

SEC. 407. Part C of title VII is amended by adding at the end of the following new subpart:

"Subpart III—Traineeships for Students in Schools of Public Health

"TRAINEESHIPS

"SEC. 751. (a) The Secretary may make grants to schools of public health for traineeships to train students enrolled in such schools.

"(b) (1) No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary and payments under such a grant may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(2) Traineeships awarded under grants made under subsection (a) shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(c) For payments under grants under subsection (a) there are authorized to be appropriated $6,000,000 for fiscal year 1976, $6,000,000 for fiscal year 1977, and $6,000,000 for fiscal year 1978.".

SCHOLARSHIPS

SEC. 408. (a) Subparts I, II, and III of part F of title VII are repealed.

(b) The Secretary of Health, Education, and Welfare during the period beginning July 1, 1975, and ending September 30, 1978, may (1) make grants under section 780 of the Public Health Service Act (as in effect before the date of the enactment of this Act) to public and nonprofit private schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, and pharmacy to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under such section 780 for fiscal years ending before July 1, 1975, and (2) make scholarship grants under section 784 of such Act (as in effect before the date of the enactment of this Act) to individuals who initially received such grants before July 1, 1975.

(c) (1) Section 747 is repealed, section 225 is transferred to subpart II of part C of title VII, is redesignated section 747, and is amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 747. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'Program') to obtain trained physicians, dentists, and nurses and, if needed by the National Health Service Corps or other unit of the Service, graduates of schools of veterinary medicine, podiatrists, optometrists, pharmacists, graduates of schools of public health, graduates of programs in health administration, graduates of programs for the training of physician assistants, expanded function dental auxiliaries, and nurse practitioners, and other health-related specialists.

"(b) To be eligible for acceptance in the Program, an applicant for the Program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student (A) in an accredited (as determined by the Secretary) educational institution in a State and (B) in (i) a course of study offered by such institution and approved by the Secretary which leads to a degree in medicine, osteopathy, dentistry, nursing, or other health-related specialty as determined by the Secretary or (ii) a program offered by such institution for the training of physician assistants, expanded function dental auxiliaries, or nurse practitioners;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for noncommissioned service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the National Health Service Corps, the Indian Health Service or other parts of the Public Health Service or the Department of Health, Education, and Welfare, or other medical entities designated by the Secretary.

To remain as a participant in the Program an individual must pursue at such an institution such an approved course of study or such a program of training and maintain an acceptable (as determined by the institution under regulations of the Secretary) level of academic standing in it.

"(c) (1) (A) Each participant in the Program shall while pursuing such a course of study or such a program of training receive a scholarship for each academic year of the course or program of training, not to exceed four years. A participant's scholarship shall consist of (i) an amount equal to the basic pay and allowances of a commissioned officer of the Service on active duty in pay grade O-1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other reasonable educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with any institution in which participants in the Program are enrolled for the payment to the institution (rather than *to* the participants) of the tuition and other educational expenses of such participants. Payment to such institutions may be made without regard to section 3648 of the Revised Statutes (31 U.S.C 529).

"(2) If the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting participants in the Program, he may provide for additional payments to the institution to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's regular tuition and fees.

"(d) (1) Each participant in the Program shall provide service as prescribed by paragraph (2) for a period of time (hereinafter in this section referred to as a 'period of obligated service') equal to—

"(A) one year of such service for each academic year of training for which a scholarship was received under the Program, or

"(B) two years,

whichever is greater. For a participant in the Program receiving a degree from a school of medicine, osteopathy, or dentistry, the period of obligated service applicable to such participant shall begin upon completion of the training required for such degree, except that the Secretary shall, at the request of the participant, defer the beginning of such service for the period of time required for the participant to complete internship, residency, or other advanced clinical training. For participants receiving degrees in other health professions the obligated service period shall commence upon completion of their academic training. Periods of internship, residency, or other advanced clinical training shall not be creditable in satisfying a service obligation under this subsection.

"(2) (A) Except as provided in subparagraphs (B), (C), and (D), an individual obligated to provide service on account of participation in the Program shall provide such service for the applicable period of obligated service as a member of the National Health Service Corps or the Indian Health Service in the clinical practice of such individual's profession.

"(B) If at the time an individual is required by the Secretary to begin such individual's period of obligated service neither the National Health Service Corps nor the Indian Health Service has a position available for a member of the profession for which such individual was trained, such individual shall serve as a member of the Public Health Service in the clinical practice of such individual's profession in connection with the delivery of health services under the authority of section 321 (relating to hospitals), 322 (relating to care and treatment of seamen and others), 323 (relating to care and treatment of Federal prisoners), 324 (relating to examination and treatment of certain Federal employees), 325 (relating to examination of aliens), or 326 (relating to services to certain Federal employees) or part D of title III (relating to services for persons with Hansen's disease).

"(C) If at the time an individual is required by the Secretary to begin such individual's period of obligated service—

"(i) the Corps and the Indian Health Service have no positions available for a member of the profession for which such individual was trained, and

"(ii) the Public Health Service has no need for such individual in connection with the delivery of health services under the authorities referred to in subparagraph (B),

such individual shall serve in the clinical practice of such individual's profession for such period in a medical facility of a State correctional facility, State mental hospital, community mental health center, migrant health center, community health center, or other medical entity designated by the Secretary as having a priority need for health personnel.

"(D) If at the time an individual is required by the Secretary to begin his period of obligated service—

"(i) the Corps and the Indian Health Service have no positions available for a member of the profession for which such individual was trained.

"(ii) the Public Health Service has no need for such individual in connection with the delivery of health services under the authorities referred to in subparagraph (B), and

"(iii) no entity designated under subparagraph (C) has positions available for a member of the profession for which such individual was trained,

such individual shall serve for such period as a member of the Public Health Service in such unit of the Department as the Secretary may prescribe.

"(e) If, for any reason, an individual fails to either begin such individual's service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula

$$A=2\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover, 'ϕ' is the sum of the amount paid under this section to or on behalf of such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such person's service obligation; and 's' is the number of months of such obligation served by him in accordance with subsection (d). Any amount which the United States is entitled to recover under this subsection shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States.

"(f) (1) (A) The Secretary shall release any participant in the Program from such participant's service obligation under subsection (d) if such participant enters into a written agreement with the Secretary to engage on a full-time basis in the private practice of such participant's profession—

"(i) in an area in a State in which is located a medically underserved population designated under section 330; and

"(ii) for a period of—

"(I) one year for each academic year of training for which the Program participant received a scholarship under the Program, or

"(II) two years,

whichever is greater.

"(B) An agreement described in subparagraph (A) shall—

"(i) provide that during the period of private practice by a participant pursuant to the agreement—

"(I) any individual who receives health services provided by the participant in connection with such private practice will be charged for such services at the usual and customary rate prevailing in the area in which such services are provided, except that if such individual is unable to pay such charge such individual shall be charged at a reduced rate or not charged any fee; and

"(II) the participant in providing health services in connection with such private practice shall not discriminate against any individual on the basis of such individual's ability to pay for such services or because payment for the health services provided to such individual will be made under the insurance program established under part A or B of title XVIII of the Social Security Act or under a State plan for medical assistance approved under title XIX of such Act; and

"(ii) contain such additional provisions as the Secretary may require to carry out the purposes of this subsection.

For purposes of clause (i) (I), the Secretary shall by regulation prescribe the method for determining an individual's ability to pay a charge for health services and the method determining the amount of the fee (if any) to be charged such individual based on such ability.

"(2) (A) The Secretary may make one grant to any individual—

"(i) who has entered into an agreement under paragraph (1), and

"(ii) who has agreed to extend the period of practice under such agreement by a period of not less than one year,

to assist such individual in meeting the costs of beginning the practice of his profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. No such grant may be used for the purchase or construction of any building.

"(B) The amount of the grant to any individual under subparagraph (A) shall be—

"(i) $12,500, if such individual agrees to extend the period of practice under the agreement under paragraph (1) for a period of at least one year but less than two years; or

"(ii) $25,000, if such individual agrees to extend the period of practice under the agreement under paragraph (1) for a period of at least two years.

"(3) The Secretary may not enter into any agreement under paragraph (1) or make any grant under paragraph (2) unless an application therefor has been submitted to, and approved by, the Secretary.

“(4) (A) In the case of any individual who entered into an agreement under paragraph (1), the Secretary shall pay to such individual, as soon as practicable after the close of each calendar quarter in which such individual practiced his profession in accordance with such agreement, an amount which is equal to the excess (if any) of—

“(i) the amount of basic pay and allowances which such individual would have received for the period of such practice during such calendar quarter and the preceding calendar quarters in the same calendar year if during that same period of practice such individual was a commissioned officer of the Public Health Service serving in the National Health Service Corps during a period of obligated service under subsection (d), over

“(ii) the sum of the net income (as determined under regulations prescribed by the Secretary) derived by such individual during that period of practice (from the private practice of his profession in accordance with such agreement) and the amount (if any) paid to such individual under this paragraph with respect to the portion of that period of practice which occurred in such preceding calendar quarters.

“(B) If after the close of any calendar year—

“(i) the amount described in subparagraph (A) (ii) which was received by the individual for the period in such year in which he practiced his profession in accordance with an agreement under paragraph (1), exceeds

"(ii) the amount of basic pay and allowances which the individual would have received for such period if during such period he was a commissioned officer of the Public Health Service serving in the National Health Service Corps during a period of obligated service under subsection (d),

the Secretary shall be entitled to recover from the such individual an amount equal to the lesser of the amount of such excess or the amount paid to the such individual under subparagraph (A) for the period in such year in which he practiced his profession in accordance with an agreement under paragraph (1).

"(C) The Secretary may not make any payment to any individual under subparagraph (A) unless—

"(i) an application therefor has been submitted to the Secretary in such manner and containing such information as he shall by regulation prescribe; and

"(ii) such individual keeps such records as the Secretary may prescribe and makes such records available to the Secretary for any examination he may require.

"(g) (1) The Secretary may make one grant to any individual (other than an individual who entered into an agreement under subsection (f) (1))—

"(A) who has completed his period of obligated service under the Program, and

"(B) who has agreed in writing to engage on a full-time basis in the private practice of his profession in accordance with subsection (f) (1) for a period of not less than one year,

to assist such individual in meeting the costs of beginning the practice of such individual's profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such grant may not be used for the purchase or construction of any building.

"(2) The amount of the grant under paragraph (1) to any individual shall be—

"(A) $12,500, if such individual agrees to practice his profession in accordance with subsection (f) (1) for a period of at least one year but less than two years; or

"(B) $25,000, if such individual agrees to practice his profession in accordance with subsection (f) (1) for a period of at least two years.

"(3) The Secretary may not make a grant under paragraph (1) unless an application therefor has been submitted to, and approved by, the Secretary.

"(h) If the Secretary determines that an individual has violated an agreement under subsection (f) (1) or (g) (1) (B), he shall, as soon as practicable after making such determination notify the individual of such determination. If within one hundred and twenty days after the date of giving such notice, such individual is not practicing his profession in accordance with the agreement under subsection (f) (1) or (g) (1) (B), as the case may be, and has not provided assurances satisfactory to the Secretary that he will not knowingly violate such agreement again, the United States shall be entitled to recover from such individual an amount determined under subsection (c), except that in applying the formula contained in such subsection—

"(1) in the case of an agreement under subsection (f) (1), 'φ' shall be the sum of the amount paid under this section (other than any amount paid under subsection (f) (4)) to or on behalf of such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, 't' shall be the number of months that such individual agreed to practice his profession under such agreement, including the number of months that the period of practice under such agreement was extended under subsection (f) (2) (A), and 's' shall be the number of months that such individual practiced his profession in accordance with such agreement; and

"(2) in the case of an agreement under subsection (g) (1) (B), 'φ' shall be the sum of the amount of the grant made under subsection (g) to such person and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, 't' shall be the number of months that such individual agreed to practice his profession under such agreement, and 's' shall be the number of months that such individual practiced his profession in accordance with such agreement.

"(i) (1) When a person undergoing training in the Program is dismissed for failure to meet academic standing requirements or for disciplinary reasons or voluntarily terminates academic training, he shall be liable for repayment to the Government for an amount equal to the scholarship which he received under the Program.

"(2) (A) Any obligation of any individual under paragraph (1) or under subsection (e) or (h) shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulation provide for the waiver or suspension of any obligation under paragraph (1) or under subsection (e) or (h) applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(j) Notwithstanding any other provision of law, persons undergoing academic training under the Program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(k) The Secretary shall issue regulations for the implementation of this section.

"(l) To carry out the Program, there are authorized to be appropriated $40,000,000 for fiscal year 1976, $80,000,000 for fiscal year 1977, and $120,000,000 for fiscal year 1978. Sums appropriated under this subsection for any fiscal year shall remain available for obligation in the succeeding fiscal year.".

(2) Effective July 1, 1975, the heading for subpart II of part C of title VII is amended to read as follows:

"Subpart II—Student Scholarships".

(3) (A) Except as provided in subparagraph (B), the amendment made by paragraph (1) of this subsection shall apply with respect to scholarships awarded under the Public Health and National Health Service Corps Scholarship Pro-

gram from appropriations for such Program for fiscal years beginning after June 30, 1975.

(B) The provisions of section 225 (f) (1) of the Public Health Service Act (as in effect on June 30, 1975) prescribing the financial obligation of a participant in the Public Health and National Health Service Corps Scholarship Training Program who fails to complete an active duty service obligation incurred under that Program shall apply to any individual who received a scholarship under such Program for any academic year beginning before June 30, 1975, irrespective of whether such individual received such a scholarship after that date, unless such individual agrees to meet his active duty service obligation (or the remaining part thereof) through the private practice of his profession under an agreement entered into under section 747 (f) of the Public Health Service Act (as amended by this section), in which case the provisions of section 747 (h) of such Act (as ~~amended~~ *added* by this section) shall apply to such individual if he violates such agreement.

(C) Periods of internship or residency served before June 30, 1976, in a facility of the National Health Service Corps or other facility of the Public Health Service in accordance with an agreement entered into under section 225 (b) of the Public Health Service Act (as in effect before that date) shall be creditable in satisfying a service obligation incurred under the Public Health and National Health Service Corps Scholarship Training Program as revised by paragraph (1) of this subsection.

REVISION OF NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 409. (a) (1) Part C of title III is amended by inserting immediately below the heading for such part the following:

"Subpart I—General Provisions".

(2) Sections 331 and 332 of part D of such title are redesignated as sections 338 and 339, respectively.

(b) Part C of title III is amended by striking out section 329 and inserting in lieu thereof the following:

"Subpart II—National Health Service Corps Program

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the 'Corps') which (1) shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate, and (2) shall be utilized by the Secretary under this subpart to improve the delivery of health services to medically underserved populations.

"(b) (1) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools and entities by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their places of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned under section 331 to provide health services for medically underserved populations shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(c) (1) The Secretary may, under regulations prescribed by him, adjust the monthly pay of each physician and dentist member of the Corps who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly pay shall be increased by an amount (~~no~~ *not* to exceed $1,000) which when added to the member's monthly pay and allowance will provide a monthly income competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

For purposes of subparagraphs (A) and (B), the term 'monthly pay' includes special pay received under chapter 5 of title 37 of the United States Code.

"(2) In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under the Public Health Service and National Health Service Corps Scholarship Training Program, the adjustment in pay authorized by paragraph (1) may be made for such a member only upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of paragraph (1) (A), be deemed to begin upon such satisfactory completion.

"DESIGNATION OF MEDICALLY UNDERSERVED POPULATIONS

"SEC. 330. (a) For purposes of this subpart—

"(1) the term 'medically underserved population' means (A) the population of an urban or rural area (which need not conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical health manpower shortage, or (B) a population group determined by the Secretary to have such a shortage; and

"(2) the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(b) (1) The Secretary shall designate the medically underserved populations in the States. In determining whether to designate a population as a medically underserved population, the Secretary shall take into account the following:

"(A) The recommendations of each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population under consideration for designation resides.

"(B) If such area is within a health service area (or areas) for which no health systems agency has been designated, the recommendations of the State health planning and development agency designated under section 1521 for the State (or States) in which such area is located.

"(C) Ratios of available health manpower to the population under consideration for designation.

"(D) Indicators of the population's access to health services.

"(E) Indicators of the health status of the population.

"(F) Indicators of such population's need and demand for health services.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation (in accordance with the second sentence of paragraph (1)) of a population as a medically underserved population.

"ASSIGNMENT OF CORPS PERSONNEL

"SEC. 331. (a) (1) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population only if—

"(A) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(B) (i) the local government of the area in which such population resides certifies to the Secretary that such assignment of Corps personnel is needed for such population, and

"(ii) any State and district medical, osteopathic, or dental society for such area, or any other appropriate health society (as the case may be) for such area, makes such a certification to the Secretary.

"(2) The Secretary may not approve an application under paragraph (1) (A) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (b) and has afforded—

"(A) each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population for which the application is submitted resides, and

"(B) if there is a part of such area within a health service area for which no health systems agency has been designated, the State health planning and development agency of the State (designated under section 1521) in which such part is located,

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of the Corps personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this subpart; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, osteopathic, dental, or other health societies or from medical personnel serving the population.

"(3) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of subparagraphs (A) and (B) of paragraph (1) are met except for the certification required by subparagraph (B) (ii) of such paragraph and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, osteopathic, dental, or other health societies, waive the application of the certification requirement to such proposed assignment.

"(b) (1) The Secretary shall require as a condition to the approval of an application under subsection (a) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (3) for health services provided by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this subpart, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall pay to the United States as prescribed by the Secretary for each calendar quarter (or other period as may be specified in the arrangement) during which any Corps personnel are assigned to such entity the sum of—

"(i) the pay (including amounts paid in accordance with 329(c)) and allowances of such Corps personnel for the portion of such quarter (or other period) during which assigned to the entity;

"(ii) if such entity received a grant under section 332 for the assistance period (as defined in subsection (c)) for which such personnel are assigned, an amount which bears the same ratio to the amount of such grant as the number of days in such quarter (or other period) during which any Corps personnel were assigned to the entity bears to the number of days in the assistance period after such entity received such grant; and

"(iii) if during such quarter (or other period) any member of the Corps assigned to such entity is providing obligated service pursuant to an agreement under the Public Health and National Health Service Corps Scholarship Training Program, for each such member an amount which bears the same ratio to the amount paid under such Program to or on the behalf of such member as the number of days of obligated service provided by such member during such quarter (or other period) bears to the number of days in his period of obligated service under such Program.

The Secretary may waive in whole or in part the application of the requirement of subparagraph (C) to an entity if he determines that the entity is financially unable to meet such requirement or if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality of the services it provides.

"(2) The excess (if any) of the amount collected by an entity in accordance with paragraph (1)(B) over the amount paid to the United States in accordance with paragraph (1)(C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (a) or to recruit and retain health manpower to provide health services for such population.

"(3) Any person who receives health services provided by Corps personnel under this subpart shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(4) Funds received by the Secretary under an arrangement entered into under paragraph (1) shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining the amounts of appropriations to be requested under section 335 and the amounts to be made available from appropriations made under such section to carry out this subpart.

"(c) The Secretary may assign Corps personnel to provide health services for a medically underserved population only during a period (hereinafter in this subpart referred to as the 'assistance period') not exceeding four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application for such assignment.

"(d) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with subsection (a) for such new assignment. The Secretary may not approve such an application unless—

"(1) the application and certification requirements of subsection (a) are met;

"(2) the Secretary has conducted an evaluation of the continued need for health manpower of the population for which the application is submitted, of the utilization of the manpower by such population, of the

57

growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(3) the Secretary has determined that such population has made continued efforts to secure its own health manpower, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third-party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(e) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(f) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and the assignee's spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. The Secretary shall, before the ~~expiration~~ *beginning* of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(g) (1) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel under this section, and (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public and private health entities serving those areas of the assistance available to such populations by virtue of their designation under section 330 as medically underserved.

"(2) The Secretary shall provide technical assistance to all medically underserved populations, to which Corps personnel are not assigned, to assist in the recruitment of health manpower for such populations. The Secretary shall also give such populations current information respecting public and private programs under which they may receive assistance in securing health manpower for them.

"PROVISION OF HEALTH SERVICES BY CORPS PERSONNEL

"SEC. 332. (a) In providing health services for a medically underserved population under this subpart, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (1) to all members of the population regardless of their ability to pay for the services, and (2) in connection with (A) direct health services programs carried out by the Service; (B) any other direct health services program carried out in whole or in part with Federal financial assistance; or (C) any other health services activity which is in furtherance of the purposes of this subpart.

"(b) (1) Notwithstanding any other provision of law, the Secretary (A) may, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the area in which the population resides and if there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services, (B) may make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and (C) may secure the temporary services of physicians, nurses, and allied health professionals.

"(2) If such an area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under paragraph (1), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility.

"(c) The Secretary may make one grant to any applicant with an approved application under section 331 to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this subsection unless an application therefor is submitted to, and approved by, the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may exceed $25,000.

"(d) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may (notwithstanding any other provision of law) sell to the entity which submitted the last application approved under section 331 for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this subsection shall be made for the fair market value of the equipment sold (as determined by the Secretary).

“REPORTS

“SEC. 333. The Secretary shall report to Congress no later than May 15 of each year—

“(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under section 330 in the calendar year in which the report is made;

“(2) the number of applications filed under section 331 in such preceding calendar year for assignment of Corps personnel and the action taken on each such application;

“(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under section 329 (b) (1), and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health personnel electing to remain, after termination of their service in the Corps, to provide health services to medically underserved populations, the number of such personnel who do not make such election, and their reasons for not making such election;

"(7) the results of evaluations made under section 331 (d) (2), and determinations made under section 331 (d) (3), during such preceding year; and

"(8) the total amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under section 331 (b), and (C) paid to the Secretary in such year under such arrangements.

"NATIONAL ADVISORY COUNCIL

"SEC. 334. (a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(1) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this subpart.

"(2) Three members shall be appointed from the medical, dental, and other health professions and health teaching professions.

"(3) One member shall be appointed from a State health planning and development agency designated under section 1521, one member shall be appointed from a Statewide Health Coordinating Council under section 1524, and one member shall be appointed from a health systems agency designated under section 1515.

"(4) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(5) Two members shall be appointed from the

National Council on Health Planning and Development (established under section 1503).

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this section subpart.

"(b) (1) Members of the Council shall be appointed for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term, and shall not be removed, except for cause. Members may be reappointed to the Council.

"(2) Members of the Council (other than members who are officers or employees of the United States, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule; and while so serving away from their homes or regular places of business all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5 of the United States Code for persons in the Government Service employed intermittently.

"AUTHORIZATION OF APPROPRIATION

"SEC. 335. To carry out the purposes of this subpart, there are authorized to be appropriated $30,000,000 for fiscal year 1976; $36,000,000 for fiscal year 1977; and $45,000,000 for fiscal year 1978.

"(2) An appropriation under an authorization under paragraph (1) of his subsection for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under an authorization under paragraph (1) for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation under this subpart before the fiscal year for which such appropriation is authorized.".

(c) (1) The amendments made by subsections (a) and (b) of this section shall take effect July 1, 1975.

(2) (A) Any area for which a designation under section 329(b) of the Public Health Service Act (as in effect on June 30, 1975) was in effect on such date and in which National Health Service Corps personnel were, on such date, providing, under an assignment made unrer such section (as so in effect), health care and services for persons residing in such area shall, effective July 1, 1975, be deemed under subpart II of part C of title III of such Act (as added by subsection (b) of this section) to (i) be an area in which

is located a medically underserved population (as defined by section 330 of such Act (as so added)), and (ii) be qualified under section 331 of such Act (as so added) for the assignment of Corps personnel unless, as determined under subparagraph (B) of this paragraph, the assistance period applicable to such ~~areas~~ *area* (within the meaning of such section 331) has expired.

(B) The assistance period (within the meaning of such section 331) applicable to an area described in subparagraph (A) of this paragraph shall be deemed to have begun on the date Corps personnel were first assigned to such area under section 329 of such Act (as in effect on June 30, 1975).

(C) In the case of any physician or dentist member of the Corps who was providing health care and services on June 30, 1975, under an assignment made under section 329(b) of such Act (as in effect on June 30, 1975), the number of the months during which such member provided such care and services before July 1, 1975, shall be counted in determining the application of the additional pay provisions of section 329(c) of such Act (as added by subsection (b) of this section) to such member.

(3) The amendment made by subsection (b) which changed the name of the Advisory Council established under section 329 of the Public Health Service Act (and placed the authority for the Advisory Council in section 334 of such

Act) shall not be construed as requiring the establishment of a new Advisory Council under such section 334; and the amendment made by such subsection with respect to the composition of such Advisory Council shall apply with respect to appointments made to the Advisory Council after July 1, 1975, and the Secretary of Health, Education, and Welfare shall make appointments to the Advisory Council after such date in a manner which will bring about, at the earliest feasible time, the Advisory Council composition prescribed by the amendment.

(d) (1) The Secretary of Health, Education, and Welfare shall report to Congress (A) not later than October 1, 1975, the criteria used by him in designating medically underserved populations under section 330 of the Public Health Service Act, and (B) not later than January 1, 1976, the identity and number of medically underserved populations in each State meeting such criteria.

(2) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 331 of the Public Health Service Act (as added by subsection (b) of this section) National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (A) the characteristics of health manpower personnel who are more likely to remain

in practice in areas in which medically underserved populations are located, (B) the characteristics of areas which have been able to retain health manpower personnel, and (C) the appropriate conditions for assignment of nurse practitioners, physician's assistants, and expanded function dental auxiliaries in areas in which medically underserved populations are located.

(e) (1) Section 741 (f) (1) (C) is amended by striking out all that follows after "in a State" and inserting in lieu thereof "in which is located a medically underserved population designated under section 330;".

(2) The amendment made by paragraph (1) shall apply with respect to agreements entered into under section 741 (f) of the Public Health Service Act after June 30, 1975.

TITLE V—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

GRANT AMOUNTS; AUTHORIZATIONS

SEC. 501. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine and osteopathy shall receive—

"(A) for ~~fiscal year 1976,~~ *fiscal years 1976 and 1977,* $2,100 for each full-time student enrolled in such school in such year; and

"(B) for each succeeding fiscal year $2,000 for each full-time student enrolled in such school in such year.

"(2) Each school of dentistry shall receive—

"(A) for ~~fiscal year 1976,~~ *fiscal years 1976 and 1977,* $2,100 for each full-time student enrolled in such school in such year; and

"(B) for each succeeding fiscal year ~~$2,200~~ *$2,000* for each full-time student enrolled in such school in such year.

"(3) (A) Each school of public health shall receive an amount equal to the product of—

"(i) $1,500, and

"(ii) the sum of (I) the number of full-time students enrolled in such school in such year, and (II) the number of full-time equivalents of part-time students, determined pursuant to subparagraph (B), for such school for such year.

"(B) For purposes of subparagraph (A) the number of full-time equivalents of part-time students for a school of public health for any year is a number equal to—

"(i) the total number of credit hours of instruction in such year for which part-time students of such school, who are pursuing a course of study leading to a graduate degree in public health or an equivalent degree, have enrolled, divided by

"(ii) the greater of (I) the number of credit hours of instruction which a full-time student of such school was required to take in such year, or (II) 9, rounded to the next highest whole number.

"(4) Each school of veterinary medicine shall receive $1,500 for each full-time student enrolled in such school in such year.

"(5) Each school of optometry shall receive $700 for each full-time student enrolled in such school in such year.

"(6) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $700 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $700 for each full-time student enrolled in the last four years of such school. For purposes of sections 771, 772, and 782, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(7) Each school of podiatry shall receive $1,100 for each full-time student enrolled in such school in such year.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) APPORTIONMENT OF APPROPRIATIONS.—Notwithstanding subsections (a) and (b), if the aggregate of the amounts of the grants to be made in accordance with such subsections for any fiscal year to schools of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry with approved applications exceeds the total of the amounts appropriated under subsection (f) for such grants, the amount of a school's grant with respect to which such excess exists shall for such fiscal year be an amount which bears the same ratio to the amount determined for the school under such subsections as the total of the amounts appropriated for that year under subsection (f) for grants to schools of the same category as such school bears the amount required to make grants in accordance with such subsections to the schools of that category with approved applications."

(c) (1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) ENROLLMENT DETERMINATIONS.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to the determination of the number of students enrolled in a school or in a particular year-class in a school on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

"(2) For purposes of this section and sections 771, 772, and 782 the term 'full-time students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree or to a graduate degree in public health or equivalent degree. In the case of a training program of a school designed to permit the students enrolled in such program to complete, within six years after completing secondary school, the requirements for degree of doctor of medicine, doctor of dentistry or an equivalent degree, or doctor of osteopathy, the term 'full-time students' shall only include students enrolled on a full-time basis in the last four years of such program and for purposes of sections 771, 772, and 782, students enrolled in the first of the last four years of such program shall be considered as first-year students.".

(3) Subsection (i) of section 770 is (1) amended by inserting ", public health" after "osteopathy", and (2) redesignated as subsection (e).

(4) Subsection (j). of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) There are authorized to be appropriated $165,000,000 for fiscal year 1976, $170,000,000 for fiscal year 1977, and $167,000,000 for fiscal year 1978, for payments under grants under this section to schools of medicine, osteopathy, and dentistry based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $10,500,000 for fiscal year 1976, $10,750,000 for fiscal year 1977, and $11,000,000 for fiscal year 1978, for payments under grants under this section to schools of public health.

"(3) There are authorized to be appropriated $9,250,000 for fiscal year 1976, $9,750,000 for fiscal year 1977, and $10,500,000 for fiscal year 1978, for payments under grants under this section to schools of veterinary medicine.

"(4) There are authorized to be appropriated $21,700,000 for fiscal year 1976, $22,600,000 for fiscal year 1977, and $23,500,000 for fiscal year 1978, for payments under grants under this section to schools of optometry and pharmacy.

"(5) There are authorized to be appropriated $2,000,000 for fiscal year 1976, $2,100,000 for fiscal year 1977, and $2,100,000 for fiscal year 1978, for payments under grants under this section to schools of podiatry.

"(6) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section.".

(d) For fiscal year 1976, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, and podiatry under section 770 (a) of the Public Health Service Act (as in effect on June 31, 1975) based on the number of enrollment bonus students (determined in accordance with subsections (d) and (e) of section 770 of such Act (as so in effect)) enrolled in such schools who were first-year students in such schools for school years beginning before June 30, 1975, except that the amount of any grant made to such a school from sums appropriated under this subsection may not exceed the amount of the grant the school received in the fiscal year ending June 30, 1975, based on the number of such students enrolled in it.

(e) The heading for part E of title VII is amended to read as follows:

"Part E—Grants To Improve the Quality of Schools of Medicine, Osteopathy, Dentistry, Public Health, Veterinary Medicine, Optometry, Pharmacy, and Podiatry".

(f) The amendments made by subsections (a), (b), and (c) shall apply with respect to appropriations under section 770 of the Public Health Service Act, and grants under that section, for fiscal years ending after June 30, 1975.

GRANT REQUIREMENTS

SEC. 502. Part E of title VII is amended (1) by redesignating section 771 as section 772, and (2) by adding after section 770 the following new section:

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) IN GENERAL.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1975, unless the application for the grant meets the following requirements:

"(1) The application shall contain or be supported by assurances satisfactory to the Secretary that the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year.

"(2) The application shall contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

"(3)(A) The application shall contain or be supported by assurances satisfactory to the Secretary that the school (i) will enter into a legally enforceable agreement with each student enrolled in the school in a school year beginning after June 30, 1976, under which the student agrees to pay, in equal annual installments in accordance with subparagraph (B), to the United States an amount equal to the total amount which the school received under section 770 because of the enrollment of the student in the school in school years beginning after such date, and (ii) will make annual reports to the Secretary respecting the amount owed under such agreements.

"(B)(i) The number of annual installments which a student, subject to an agreement entered into with a school pursuant to subparagraph (A), shall pay to the United States shall be equal to the number of fiscal years (beginning after June 30, 1976) in which the school received a grant under section 770 on account of the enrollment of the student in school years beginning after such date.

"(ii) The first annual installment to be paid under an agreement under subparagraph (A) with a school shall be paid in the first calendar year which begins more than eleven months after the month in which the student subject to the agreement completed or terminated his course of study at the school, except that—

"(I) if the course of study was terminated in connection with a transfer to another school to pursue the same course of study and the transfer was made within twelve months of the termination date, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the date the student completes his course of study at the school to which he transferred; or

"(II) if the student begins an internship, residency, or other advanced clinical training within six months after the month in which he completed his course of study, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the month in which such internship, residency, or other advanced clinical training ends.

No installment shall be required to be paid in a calendar year in which more than six months is spent in an internship or in residency training.

"(C) For each year that an individual subject to such an agreement—

"(i) provides service during a period of obligated service in accordance with section 747(d) or practices his profession in accordance with an agreement entered into under section 747(f) or 747(g); or

"(ii) practices his profession, in accordance with an agreement entered into with the Secretary, in an area in which is located a medically underserved population designated under section 330,

the individual shall be relieved of his liability to pay one annual installment.

"(D) The obligation of an individual under an agreement shall be canceled upon his death. The Secretary shall by regulation provide for the waiver or suspension of such an obligation whenever compliance by the individual subject to it is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to him would be against equity and good conscience.

"(b) SCHOOLS OF MEDICINE, OSTEOPATHY, AND DENTISTRY.—~~The Secretary shall not make a grant under section 770 to any school of medicine, osteopathy, or dentistry in a fiscal year beginning after June 30, 1975, unless the~~

~~requirement of paragraph (1) and the requirement of paragraph (2) or (3) are met:~~

~~“(1)(A) The application shall contain or be supported by assurances satisfactory to the Secretary that the school (i) will enter into a legally enforceable agreement with each student enrolled in the school in a school year beginning after June 30, 1976, under which the student agrees to pay, in equal annual installments in accordance with subparagraph (B), to the United States an amount equal to the total amount which the school received under section 770 because of the enrollment of the student in the school in school years beginning after such date, and (ii) will make annual reports to the Secretary respecting the amount owed under such agreements.~~

~~“(B)(i) The number of annual installments which a student, subject to an agreement entered into with a school pursuant to subparagraph (A), shall pay to the United States shall be equal to the number of fiscal years (beginning after June 30, 1976) in which the school received a grant under section 770 on account of the enrollment of the student in school years beginning after such date.~~

~~“(ii) The first annual installment to be paid under an agreement under subparagraph (A) with a school~~

~~shall be paid in the first calendar year which begins more than eleven months after the month in which the student subject to the agreement completed or terminated his course of study at the school, except that—~~

~~“(I) if the course of study was terminated in connection with a transfer to another school to pursue the same course of study and the transfer was made within twelve months of the termination date, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the date the student completes his course of study at the school to which he transferred; or~~

~~“(II) if the student begins an internship, residency, or other advanced clinical training within six months after the month in which he completed his course of study, the first annual installment shall be paid in the first calendar year which begins more than eleven months after the month in which such internship or residency training ends.~~

~~No installment shall be required to be paid in a calendar year in which more than six months is spent in internship or residency training.~~

~~“(C) For each year that an individual subject to such an agreement—~~

~~“(i) provides service during a period of obli-~~

~~gated service in accordance with section 747(d) or practices his profession in accordance with an agreement entered into under section 747(f) or 747(g); or~~

~~"(ii) practices his profession, in accordance with an agreement entered into with the Secretary, in an area in which is located a medically underserved population designated under section 330,~~

~~the individual shall be relieved of his liability to pay one annual installment.~~

~~"(D) The obligation of an individual under an agreement shall be canceled upon his death. The Secretary shall by regulation provide for the waiver or suspension of such an obligation whenever compliance by the individual subject to it is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to him would be against equity and good conscience.~~

The Secretary shall not make a grant under section 770 to any school of medicine, osteopathy, or dentistry in a fiscal year beginning after June 30, 1975, unless the requirement of paragraph (1) or (2) is met:

"~~(2)~~ *(1)* The application for such grant shall contain or be supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) in the case of a four-year school of medicine, osteopathy, or dentistry, for the second school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made the third-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1974 (or if the enrollment of such students in the next school year was greater, then the number enrolled in that school year)—

“(i) by 10 per centum of such number if such number was not more than 100, or

“(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100.

“~~(3)~~ *(2)* (A) In the case of an application for a grant to be made in a fiscal year beginning after June 30, 1975, the applicant shall submit to the Secretary and have approved by him before the grant applied for is made, a plan to train full-time students in ambulatory care settings in the school year beginning after the close of the fiscal year in which the grant is made and in each school year thereafter beginning in a fiscal year in which such a grant is made and in areas geographically remote from the main site of the teaching facilities of the applicant (or any other school of medicine, osteopathy, or dentistry which has joined with the applicant in the submission of the plan).

“(B) More than one applicant may join in the submission of a plan described in subparagraph (A). No plan may be approved by the Secretary unless—

“(i) the application for a grant under section 770 of each school which has joined in the submission of the plan contains or is supported by assurances satisfactory to the Secretary that at least one-half of the full-time students who will graduate from such school will upon graduation have received, in an area geographically remote from the main site of the training facilities of such school, at least six weeks (in the aggregate) of clinical training;

"(ii) the plan contains a list of the areas where the training under such plan is to be conducted, a detailed description of the type and amount of training to be given in such areas, and provision for periodic review by experts in medical, osteopathic, or dental education (as may be appropriate) of the desirability of providing training in such areas and of the quality of training rendered in such areas;

"(iii) the plan contains a specific program for the hiring, as members of the faculty of the school or schools submitting the plan, of practicing physicians or dentists (as appropriate) to serve as instructors in the training program in areas geographically remote from the main site of the teaching facilities of such school or schools; and

"(iv) the plan contains a plan for frequent counseling and consultation between the faculty of the school or schools at the main site of their training facilities and the instructors in the training program in the areas geographically remote from such site.

"(c) SCHOOLS OF PUBLIC HEALTH.—

"(1) The Secretary shall not make a grant under section 770 to any school of public health in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(A) by 10 per centum of such number if such number was not more than 100, or

"(B) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100.

"(2) The Secretary may waive (in whole or in part) the requirements of paragraph (1) with respect to any school if he determines, after consultation with the National Advisory Council on Health Professions

Education, that such school, because of limitations of physical facilities available to the school for training or because of other relevant factors, cannot increase its first year enrollment in accordance with such paragraph without lowering the quality of education provided in such school.

"(d) Schools of Veterinary Medicine, Optometry, Pharmacy, and Podiatry.—

"(1) Schools of veterinary medicine.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or

10 students, whichever is greater, if such number was more than 100; or

"(B) at least 20 per centum of the first year enrollment of full-time students in such school will, for the second school year beginning after the close of the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made, be comprised of students who are residents of States in which there are no accredited schools of veterinary medicine.

"(2) SCHOOLS OF OPTOMETRY.—The Secretary shall not make a grant under section 770 to any school of optometry in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) at least 25 per centum (or 50 per centum if the applicant is a nonprofit private school of optometry) of the first-year enrollment of full-time students in such school will, for the second school year beginning after the close of the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made, be comprised of students who are residents of States in which there are no accredited schools of optometry.

"(3) SCHOOLS OF PHARMACY.—The Secretary shall not make a grant under section 770 to any school of pharmacy in a fiscal year beginning after June 30, 1975—

"(A) unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) unless such school has submitted to and had approved by the Secretary a plan for the establishment, expansion, improvement, or operation, in the second school year beginning after the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made, of at least two of the following programs: (i) A program to teach pharmacy in a hospital, extended care facility, or other clinical setting, (ii) a program of training in clinical pharmacology, or (iii) a program to train pharmacists to assist physicians and counsel patients on the appropriate use and reactions to drugs.

"(4) SCHOOLS OF PODIATRY.—The Secretary shall not make a grant under section 770 to any school of podiatry in a fiscal year beginning after June 30, 1975 unless the application for such grant contains or is supported by assurances satisfactory to the Secretary that—

"(A) for the second school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in the school making the application will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

"(i) by 10 per centum of such number if such number was not more than 100, or

"(ii) by 5 per centum of such number, or 10 students, whichever is greater, if such number was more than 100; or

"(B) at least 40 per centum of the first year enrollment of full-time students in such school will for the second school year beginning after the close of the fiscal year in which the grant applied for is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made will be comprised of students who are residents of States in which there are no accredited schools of podiatry.".

START-UP GRANTS

SEC. 503. (a) Section 772 (a) (1) (as so redesignated) is amended by striking out "or dentistry" and inserting in lieu thereof: ", dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry".

(b) Section 772 (a) (4) (as so redesignated) is amended by striking out "or dentistry" and inserting in lieu thereof "dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry".

(c) Section 772 (a) (6) (as so redesignated) is amended to read as follows:

"(6) There are authorized to be appropriated $10,000,000 for fiscal year 1976, $10,000,000 for fiscal year 1977, and $10,000,000, for fiscal year 1978, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended.".

(d) Sections 772 (b) (2) (as so redesignated) is amended (1) by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1978", and (2) by striking out "June 30, 1976" and inserting in lieu thereof "September 30, 1979".

(e) Section 772 (as so redesignated) is amended by adding at the end thereof the following new ~~subsection~~ *sub*~~*sections*~~:

“(c) (1) The Secretary may make grants to any school of medicine to meet the planning costs for projects for the training of students, enrolled in the last two years of such school, in facilities—

“(A) which are other than the principal teaching facilities of the school receiving the grant and which are existing Federal health care facilities or are other public or private health care facilities; and

“(B) which are located in an area in which a medically underserved population resides.

No grant may be made under this paragraph with respect to any project unless before the fiscal year for which the grant is to be made the project has received at least $100,000 from non-Federal sources and has been approved by the legislature of the State in which it is located.

“(2) For payments under grants under paragraph (1), there are authorized to be appropriated $400,000 for fiscal year 1976.”~~.~~

“(d)(1) The Secretary may make grants to public and nonprofit private institutions of higher education and hospitals and other health care delivery facilities which are engaged in the development of new schools of medicine to assist such institutions and facilities in meeting the costs of

employing faculty, acquiring equipment, and taking such other action related to the initial operation of a school of medicine as may be necessary for the proposed schools to meet the eligibility requirements for a grant under subsection (a) of this section.

"(2) No application for a grant under paragraph (1) may be approved by the Secretary unless the application contains or is supported by assurances satisfactory to the Secretary that—

"(A) with the assistance provided under the grant applied for the applicant will be able to accelerate the date on which the school of medicine being developed by the applicant will be able to begin its teaching program.

"(B) there is a reasonable indication of non-Federal financial resources for development and operation of such school, and

"(C) the school of medicine will emphasize training programs in family medicine and will, through clinical training programs of the type described in section 771 (b)(2), improve access to health care for residents of the geographical regions in which such training programs are located.

The Secretary may not approve or disapprove an application unless he has consulted with the body recognized by the

Commissioner of Education as the accrediting body for schools of medicine respecting approval of the application.

"(3) No institution or facility may receive more than one grant under this subsection. For payment under grants under this subsection, there is authorized to be appropriated $1,500,000 for fiscal year 1976 and $1,500,000 for fiscal year 1977.

"(4) Upon graduation of the second class from each school of medicine for which a grant was made under this subsection, the Secretary shall report to the Congress on the ability of the school of medicine to improve access to health care for residents of the geographical regions in which the clinical training programs of the school are located.".

(f) The amendments made by this section shall apply with respect to appropriations under section 772 of the Public Health Service Act (as so redesignated), and grants from such appropriations, for fiscal years ending after June 30, 1975.

FINANCIAL DISTRESS GRANTS

SEC. 504. (a) Subsection (a) of section 773 is amended to read as follows:

"(a) There are authorized to be appropriated $5,000,000 for fiscal year ~~1975~~ *1976,* and $5,00,000 for fiscal year

~~1976~~ *1977*, and $5,000,000 for fiscal year ~~1977~~ *1978*, for payments under grants under this section.".

(b) Section 773 is amended by inserting "public health," after "dentistry," in subsections (b) and (d).

(c) The amendments made by this section shall apply with respect to appropriations under section 773 of the Public Health Service Act, and grants from such appropriations, for fiscal years ending after June 30, 1975.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 505. (a) Section 775 is redesignated section 774 and is amended—

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, or 773";

(2) by inserting ", public health" after "dentistry" in subsection (b);

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "~~sections~~ *section* 770, 772, or 773";

(4) by striking out "770, 771, or 773" in subsection (d) (1) and inserting in lieu thereof "770, 771, 772, or 773" and

(5) by amending subsection (d) (3) to read as follows:

"(3) provides for such fiscal control and account-ing procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to enable him to determine the costs to the applicant of its program for the education or training of students."

(b) The section heading of section 774 (as so redesignated) is amended by striking out "SPECIAL PROJECT,".

(c) Sections 312 and 313 are repealed.

(d) The amendments (and repeals) made by this section shall apply with respect to appropriations, and grants therefrom, for fiscal years ending after June 30, 1975.

TITLE VI—SPECIAL PROJECT GRANTS AND CONTRACTS

FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

SEC. 601. (a) Section 767 (entitled "Grants for Training, Traineeships, and Fellowships in Family Medicine") is transferred to part F of title VII, inserted after the heading for such part, and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended as follows:

(1) Such section is amended by striking out "and" after "1973," and by inserting after "1975," the following: "$40,-

000,000 for fiscal year 1976, $40,000,000 for fiscal year 1977, and $40,000,000 for fiscal year 1978,".

(2) Section 781 (as so redesignated) is amended by striking out "interns" in paragraphs (1) and (2) and inserting in lieu thereof "interns (including interns in internships in osteopathic medicine)".

(3) Such section is amended by inserting "(a)" before "There are" and by inserting at the end thereof the following:

"(b) Sums appropriated under subsection (a) may be used by the Secretary to make grants to any public or nonprofit private school of dentistry or accredited postgraduate dental training institution—

"(1) to plan, develop, and operate an approved residency program in the general practice of dentistry; and

"(2) to provide financial assistance (in the form of traineeships and fellowships) to residents in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry.".

(4) The title of such section is amended by inserting after "FAMILY MEDICINE" the following: "AND IN THE GENERAL PRACTICE OF DENTISTRY".

FAMILY MEDICINE TRAINING PROJECT GRANTS

SEC. 602. Part F of title VII is amended by adding after section 781 (as so redesignated) the following new section:

"PROJECT GRANTS FOR INSTRUCTION IN FAMILY MEDICINE

"SEC. 782. (a) The Secretary may make grants to schools of medicine and osteopathy to meet the costs of projects to establish and maintain academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in family medicine.

"(b) The Secretary may not approve an application for a grant under subsection (a) unless such application contains—

"(1) assurances satisfactory to the Secretary that the academic administrative unit with respect to which the application is made will (A) be comparable to academic administrative units for other major clinical specialties offered by the applicant, (B) be responsible for directing an amount of the curriculum for each member of the student body engaged in an education program leading to the awarding of the degree of doctor of medicine or doctor of osteopathy which amount is determined by the Secretary to be comparable to the amount of curriculum required for other major clinical specialties in the school, (C) have a number of full-time faculty which is determined by the Secretary to be sufficient to conduct the instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties in the school, and (D) have control over a three-year approved or provisionally approved residency training program in family practice or its equivalent as determined by the Secretary which shall have the capacity to enroll a total of no less than twelve interns or residents per year; and

"(2) such other information as the Secretary shall by regulation prescribe.

"(c) There are authorized to be appropriated $10,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978, for payments under grants under subsection (a).".

ASSISTANCE TO DISADVANTAGED STUDENTS

SEC. 603. Section 772 (as in effect before the date of the enactment of this Act) is transferred to part F of title VII, is inserted after section 782, is redesignated section 783, and is amended to read as follows:

"ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

"SEC. 783. (a) (1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2).

"(2) A grant or contract under paragraph (1) may be used by the health or educational entity to meet the costs of—

"(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for the education provided by a health professional school,

"(B) facilitating the entry of those individuals into such a school,

"(C) providing counseling or other services designed to assist those individuals to complete successfully their education at such a school,

"(D) providing, for a period prior to the entry of those individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education, and

"(E) publicizing existing sources of financial aid available to persons enrolled in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program.

"(b) There are authorized to be appropriated $20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and ~~$20,000~~ *$20,000,000*, for fiscal year 1978, for payments under grants and contracts under subsection (a).".

AREA HEALTH EDUCATION CENTERS

SEC. 604. (a) Section 774 (as in effect before the date of the enactment of this section) is transferred to part F of title VIII, is inserted after section 783 (as so redesignated), is redesignated section 784, and is amended to read as follows:

"AREA HEALTH EDUCATION CENTERS

"SEC. 784. (a) For the purpose of improving the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system and for the purpose of encouraging the regionalization of educational responsibilities of the health professions schools, the Secretary may make grants and enter into contracts for projects for area health education centers—

"(1) to conduct programs to alleviate shortages of health personnel in rural areas with sparse populations or urban areas with unusually dense populations through training or retraining of health personnel in community hospitals and other facilities located in such areas (including training of students enrolled in residency programs in family medicine, general internal medicine, general pediatrics, psychiatry, and obstetrics and gynecology) or to otherwise improve the distribution in such areas of health personnel by area or by specialty group;

"(2) to provide training programs in such areas (A) leading to more efficient utilization in such areas of health personnel, emphasizing multidisciplinary and interdisciplinary patterns of undergraduate, graduate, and continuing education of health personnel, and (B) to encourage new or more effective approaches to the organization and delivery of health services in such areas through the training of individuals in the use of the team approach to the delivery of health services; and

"(3) to provide education programs for the general populations of such areas regarding the appropriate use of health services, the availability of health services in such areas (including services provided under federally funded programs), and the contribution each individual can make to the maintenance of his own health.

"(b) (1) The costs for which a grant or contract under this section may be made may include such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the students (and other health personnel undergoing training) in such programs as the

Secretary may deem necessary and costs of construction of new primary care facilities and of medical school facilities necessary for the administration of the training program for which the grant or contract is made.

"(2) No application for a grant or contract under this section may be approved unless the application—

"(A) is made by a public or nonprofit private educational entity which has, or which is affiliated with, at least three degree or diploma granting health professions education programs of which at least one shall be a program offered by a school of medicine or osteopathy;

"(B) contains assurances satisfactory to the Secretary that, to the maximum extent feasible, the project of the applicant will be conducted in conjunction with (including the sharing of faculty and facilities with) the projects (if any) of any schools of medicine or osteopathy participating in the project of the applicant for the remote site training of undergraduate students of medicine or osteopathy conducted pursuant to plans approved under section 771 (b) (1) (B);

"(C) contains a designation of the geographic boundaries of the areas to be served by area health education centers established under the project;

"(D) contains a list of the health manpower needs of the areas to be served by area health education centers established under the project, the relative order in which those needs should be addressed, a detailed description of the types of programs to be carried out by the area health education centers, and provision for periodic review and evaluation of such programs by experts in medical or osteopathic or other health professions education (as may be appropriate);

"(E) contains assurances that each medical and osteopathic school participating in the project will provide not less than six weeks of training per year in area health education centers for at least 50 per centum of the students enrolled in such schools in residency programs in family medicine, general internal medicine, general pediatrics, psychiatry, and obstetrics and gynecology;

"(F) contains assurances satisfactory to the Secretary that each participant in the project will contribute a significant portion of its faculty to serve as instructors in medical residency training and continuing education programs in areas served by the area health education centers;

"(G) contains a specific program for multidisciplinary and interdisciplinary training programs both at the main site of the training or clinical facilities of the applicant and in area health education centers established under the project;

"(H) contains a plan for frequent counseling and consultation between the faculty of the applicant at the main site of its training or clinical facilities and instructors and other appropriate participants in the applicant's programs in the areas served by the area health education centers;

"(I) contains a detailed plan for frequent consultation and coordination of the applicant's project with appropriate local, regional, State, and Federal agencies in order to exchange information, and avoid unnecessary duplication of programs; and

"(J) contains assurances that the applicant will designate a local advisory board for each area health education center which (i) shall be comprised of consumers of health services residing in the area served by the center, (ii) shall, as a group, represent the residents of that area taking into consideration employment, age, sex, race, place of residence, and other demographic characteristics, and (iii) shall meet on a regular basis (not less than twice a year) for purposes of determining the center's responsiveness to the health manpower needs of the area and making recommendations to the center with respect to the provisions of health manpower in the area.

“(3) The amount of any grant or contract under this section shall be determined by the Secretary, except that no grant or contract for any project may exceed 75 per centum of the costs, as determined by the Secretary, of such project.

“(c) There are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978, for payments under grants and contracts under this section.”

(b) For the fiscal year ending June 30, 1976, and for each of the next two fiscal years there are authorized to be appropriated such sums as may be necessary to continue payments to entities under contracts entered into under section 774 of the Public Health Service Act (as in effect on June 30, 1975) for projects for area health education centers, except that no payment shall be made to an entity under such a contract unless the entity provides assurances satisfactory to the Secretary that not later than June 1, 1977, the project for which the payment is to be made will be a project described in subsection (a) of section 783 of such Act (as so redesignated) and the entity and its application will meet the requirements of subsection (b) (2) of such section. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

(e) After June 1, 1977, the Secretary of Health, Education, and Welfare shall assess the program of grants under section 783 of the Public Health Service Act (as so redesignated) to determine the effect of the projects funded under such grants on the distribution of health manpower and on the access to and quality of health care in the areas in which such projects are located. Not later than July 1, 1977, the Secretary shall submit to the Congress a report on the assessment conducted under this subsection.

PROJECT GRANTS AND CONTRACTS FOR SCHOOLS OF OPTOMETRY, PHARMACY, AND PODIATRY

SEC. 605. Part F of title VII is amended by adding after section 784 (as so redesignated) the following new section:

"PROJECT GRANTS AND CONTRACTS FOR SCHOOLS OF OPTOMETRY, PHARMACY, AND PODIATRY

"SEC. 785. (a) SCHOOLS OF OPTOMETRY.—The Secretary may make grants to and enter into contracts with schools of optometry to meet the costs of projects to assist in—

"(1) the affiliation between optometric training programs and medical, osteopathic, and other health professions training programs and academic institutions,

"(2) establishing cooperative arrangements between optometric training programs and medical, osteopathic, and other health professions training programs and academic institutions,

"(3) planning, developing, and operating residency training programs in special optometric services or in meeting the optometric needs of special populations, or

"(4) planning, developing, and operating educational programs which provide training in the early detection and diagnosis of health problems which are accompanied by visual or ocular symptoms.

"(b) SCHOOLS OF PHARMACY.—

"(1) The Secretary may make grants and enter into contracts with schools of pharmacy to meet the costs of projects to assist in—

"(A) the affiliation between clinical pharmacy training programs and medical, osteopathic, and other health professions training programs and academic institutions, or

"(B) establishing cooperative arrangements between clinical pharmacy training programs and medical, osteopathic, and other health professions training programs and academic institutions.

"(2) The Secretary may make grants to and enter into contracts with schools of pharmacy to meet the costs of projects to establish, expand, or improve—

"(A) programs for the teaching of pharmacy in hospitals, extended care facilities, and other clinical settings,

"(B) clinical pharmacology training, and

"(C) programs to train pharmacists to assist physicians and counsel patients on the appropriate use and effects of and reactions to drugs.

"(c) SCHOOLS OF PODIATRY.—The Secretary may make grants to and enter into contracts with schools of podiatry to meet the costs of projects to assist in—

"(1) the affiliation between podiatric training programs and medical, osteopathic, and other health professions training programs and academic institutions, or

"(2) establishing cooperative arrangements between podiatric training programs and medical, osteopathic, and other health professions training programs and academic institutions.

"(d) TECHNICAL ASSISTANCE.—If the Secretary does not approve an application for a grant or contract under this section, he shall advise the applicant of the reasons for disapproval of the application and provide the applicant such technical and other nonfinancial assistance as may be appropriate to enable the applicant to submit an approvable application.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1976, $5,000,000 for fiscal year 1977, and $5,000,000 for fiscal year 1978, for payments under grants and contracts under this section.".

COMPUTER TECHNOLOGY

SEC. 606. (a) Section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") is transferred to part F of title VII, inserted after section 785, and redesignated as section 786.

(b) Section 786 (as so redesignated) is amended (1) by striking out "and" after "1973,", and (2) by inserting after "1975," the following: "$3,000,000 for fiscal year 1976, $3,000,000 for fiscal year 1977, and $3,000,000 for fiscal year 1978,".

EMERGENCY MEDICAL SERVICES TRAINING

SEC. 607. (a) Section ~~766~~ *776* (entitled "TRAINING IN EMERGENCY MEDICAL SERVICES") is transferred to part F of title VII, inserted after section 786 (as so redesignated), and redesignated as section 787.

~~"~~(b) Subsection (a) of section 787 (as so redesignated) is amended (1) by inserting "hospitals and" before "schools of medicine", and (2) by inserting before the period at the end a comma and the following: "and to assist in meeting the cost of program development and training of physicians in emergency medicine".

(c) Section 787 (as so redesignated) is amended by striking out subsections (b), (c), (d), and (e) and inserting in lieu thereof the following:

"(b) No grant or contract may be made or entered into under this section unless the applicant therefor is a public or nonprofit private entity. Grantees and contractees under this section shall make such reports at such intervals, and containing such information, as the Secretary may prescribe.

"(c) Of the funds appropriated under subsection (d) for any fiscal year, the Secretary shall obligate not less than one-third of such funds for grants and contracts in that fiscal year to assist in meeting the cost of program development and training of physicians in emergency medicine.

"(d) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $10,000,000 for fiscal year 1976, $10,000,000 for fiscal year 1977, and $10,000,000 for fiscal year 1978.".

(d) The amendments made by this section shall apply with respect to appropriations under section 787 of the Public Health Service Act (as so redesignated), and grants from such appropriations, for fiscal years ending after June 30, 1975.

EDUCATION OF UNITED STATES STUDENTS RETURNING FROM FOREIGN MEDICAL SCHOOLS

SEC. 608. Part F of title VII is amended by adding after section 787 (as so redesignated) the following new section:

"EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL SCHOOLS

"SEC. 788. (a) The Secretary may make grants to schools of medicine and osteopathy in the United States to plan, develop, and operate programs—

"(1) to train United States citizens who have been enrolled in medical schools in foreign countries before July 1, 1975, to enable them to meet the requirements for enrolling in schools of medicine or osteopathy in the United States as full-time students with advanced standing; or

"(2) to train United States citizens who have transferred from medical schools in foreign countries in which they were enrolled before July 1, 1975, and who have enrolled in schools of medicine or osteopathy in the United States as full-time students with advanced standing.

The costs for which a grant under this subsection may be made may include the costs of identifying deficiencies in the medical school education of the United States citizens who have been enrolled in foreign medical schools, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such United States citizens for enrollment in schools of medicine or osteopathy in the United States as full-time students with advanced standing.

"(b) More than one school of medicine or osteopathy may join in the submission of an application for a grant under subsection (a).

"(c) The Secretary may not approve an application for a grant under subsection (a)(1) unless such application contains assurances satisfactory to the Secretary that, to the maximum extent feasible, every individual who—

"(1) satisfactorily completes the training program for which such grant is to be made, and

"(2) is qualified to be accepted for enrollment as a full-time student with advanced standing in the school or schools which submitted such application,

will be accepted for enrollment as a full-time student with advanced standing in the school, or in one of the schools, which submitted such application.

"(d) Any school of medicine or osteopathy which receives a grant under subsection (a) for the fiscal year 1976 shall submit to the Secretary before January 1, 1977, a report on the deficiencies (if any) identified by the school in the foreign medical education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before July 1, 1977, submit to the Congress his analysis and evaluation of the information contained in such reports.

"(e) There are authorized to be appropriated $2,000,000 for fiscal year 1976, $3,000,000 for fiscal year 1977, and $4,000,000 for fiscal year 1978, for payments under grants under subsection (a).".

PHYSICIANS ASSISTANTS AND EXPANDED FUNCTION DENTAL AUXILIARIES

SEC. 609. Part F of title VII is amended by adding after section 788 the following new section:

"PROGRAMS FOR PHYSICIAN ASSISTANTS AND EXPANDED FUNCTION DENTAL AUXILIARIES

"SEC. 789. (a) (1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine, osteopathy, and public health and other public or nonprofit private entities to meet the costs of projects to—

"(A) plan, develop, and operate, or

"(B) maintain existing,

programs for the training of physician assistants.

"(2) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of dentistry to meet the costs of projects to—

"(A) plan, develop, and operate, or

"(B) maintain existing,

programs for the training of expanded function dental auxiliaries.

"(b) (1) No grant or contract may be made under subsection (a) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that—

"(A) the school making the grant has appropriate mechanisms for placing graduates of the training program, with respect to which the application is submitted, in positions for which they have been trained, and

"(B) there is an identified need for the services of the graduates of such program.

"(2) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the training of physician assistants or expanded function dental auxiliaries unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under section 701 (7) or 701 (9), as the case may be; and no grant may be made or contract entered into for a project to maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such section.

"(c) The costs for which a grant or contract under subsection (a) may be made may include costs of preparation of faculty members in order to conform to the guidelines established under sections 701 (7) and 701 (9) respecting programs for the training of physician assistants and expanded function dental auxiliaries.

"(d) For payments under grants and contracts under subsection (a), there is authorized to be appropriated $25,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $35,000,000 for fiscal year 1978.".

GENERAL PROVISIONS

SEC. 610. (a) Section 769B (entitled "GENERAL PROVISIONS") is transferred to part F of title VII, inserted after section 789, and redesignated as section 790.

(b) Section 790 (as so redesignated) is amended—

(1) by striking out "grant may be made under sections 767, 769, and 769 (A)" in subsection (a) and

inserting in lieu thereof "grant may be made or contract entered into under this part";

(2) by adding at the end of subsection (a) the following: "The Secretary may not approve or disapprove any application for a grant or contract under this part except after consultation with the National Advisory Council on Health Professions Education.";

(3) by striking out "grants under sections 767 and 769(A)" in subsection (b) and inserting in lieu thereof "grants or contracts under this part"; and

(4) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The amount of any grant or contract under this part shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, at such intervals and on such conditions, as the Secretary finds necessary. Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).".

REPEALS AND TECHNICAL AMENDMENT

Sec. 611. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS") and section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR

HEALTH PROFESSIONS TEACHING PERSONNEL") are repealed.

(b) The heading for part F of title VII is amended to read as follows:

"Part F—Special Project Grants and Contracts"

TITLE VII—PUBLIC AND ALLIED HEALTH PERSONNEL

PUBLIC AND ALLIED HEALTH PERSONNEL

Sec. 701. (a) Part G of title VII is amended to read as follows:

"Part G—Training Programs for Public and Community Health Personnel

"DEFINITION

"Sec. 791. For purposes of this part, the term 'public and community health personnel' means individuals who are engaged in—

"(1) the planning, development, monitoring, or management of health care or health care institutions, organizations, or systems,

"(2) research on health care development and the collection and analysis of health statistics, data on the health of population groups, and any other health data,

"(3) the development and improvement of individual and community knowledge of health (including environmental health and preventive medicine) and the health care system, or

"(4) the planning and development of a healthful environment and control of environmental health hazards.

"INSTITUTIONAL GRANTS FOR GRADUATE PROGRAMS IN HEALTH

"SEC. 792. (a) From funds appropriated under subsection (d), the Secretary shall make annual grants to public or nonprofit private educational entities (except schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, health planning, environmental health, and preventive medicine.

"(b) The amount of the grant for any fiscal year under subsection (a) to an educational entity with an application approved under subsection (c) shall be equal to the amount appropriated under subsection (d) for such fiscal year divided by the number of educational entities which have applications for grants for such fiscal year approved under subsection (c).

"(c) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to the Secretary before such time as he shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation prescribe.

"(2) The Secretary may not approve an application submitted under paragraph (1) unless—

"(A) such application—

"(i) contains assurances satisfactory to the Secretary that in each academic year (as defined in regulations of the Secretary) for which the applicant receives a grant under subsection (a)—

"(I) at least twenty-five individuals will complete the graduate educational program of the entity for which such application is submitted; and

"(II) such entity will expend or obligate at least $100,000 in funds from non-Federal sources to conduct such programs;

"(ii) contains such assurances as the Secretary shall by regulation prescribe respecting one or more of the following: Increases in overall enrollment in the program for which such application is submitted and increases in enrollment in ~~program~~ *programs* for the training of needed types of public and community health personnel (as determined by the Secretary); and "(iii) contains such other information as the Secretary may by regulation prescribe; and

"(B) the ~~programs~~ *program* for which such application was submitted have been accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education and meet such other quality standards as the Secretary shall by regulation prescribe.

The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Health Professions Education.

"(d) There are authorized to be appropriated for payments under grants under this section $3,000,000 for fiscal year 1976, $3,500,000 for fiscal year 1977, and $4,000,000 for fiscal year 1978.

"TRAINEESHIPS

"SEC. 793. (a) The Secretary may make grants to public or nonprofit private educational entities, eligible for grants under section 792, for traineeships to train public and community health personnel for which the Secretary determines there is unusual need.

"(b) (1) No grants for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary and payments under such grant may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(2) Traineeships awarded under grants made under subsection (a) shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $2,500,000 for fiscal year 1976, $2,500,000 for fiscal year 1977, and $2,500,000 for fiscal year 1978.

"STATISTICS AND ANNUAL REPORT

"SEC. 794. (a) The Secretary shall, in coordination with the National Center for Health Statistics (established under section 306), continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting public and community health personnel, including—

"(1) detailed descriptions of the various types of activities in which public and community health personnel are engaged,

"(2) the current and anticipated needs for the various types of public and community health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of public and community health personnel, the educational and licensure requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this part. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1976."

(b) Title VII is amended by adding at the end the following new part:

"Part H—Training Programs for Allied Health Personnel

"DEFINITION

"Sec. 795. For purposes of this part, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental engineers and other personnel in environmental health control and preventive medicine activities.

"PROJECT GRANTS AND CONTRACTS

"Sec. 796. (a) The Secretary may make grants to public and nonprofit private entities and enter into contracts with individuals and public and private entities to assist in meeting the costs of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) Methods of coordination, management, and articulation of education and training at various levels for allied health personnel within and among educational institutions and their clinical affiliates.

"(2) Methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel.

"(3) Educational programs (including programs in a junior college) which lead to—

"(A) a baccalaureate degree, an associate degree, or the equivalent of either degree, or

"(B) a higher degree,

in medical technology, preventive medicine technology, environmental health technology, opthalmic dispensing, optometric technicianery, dental hygiene, or such other of the curricula for the training of allied health personnel as the Secretary may by regulation specify, and other methods and curricula (including model curricula) for training various types of allied health personnel.

"(4) Programs, or means of adapting existing programs, for training as allied health personnel special groups such as returning veterans, the economically or culturally deprived, and persons reentering any of the allied health fields.

"(5) New roles and functions for allied health personnel and methods for increasing the efficiency of health manpower through more effective utilization of allied health personnel in various practice settings.

"(6) New methods of credentialing allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience, developed in coordination with the Secretary's program under section 1123 of the Social Security Act.

"(7) Methods of recruitment and ~~retaining~~ *retraining* of allied health personnel.

"(8) Meaningful career ladders and programs of advancement for practicing allied health personnel.

"(9) Continuing education programs for practicing allied health personnel.

"(10) Expansion of existing, or establishment of, new educational programs in allied health professions for which the Secretary determines there is a critical or unusual national need.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 797. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $6,000,000 for fiscal year 1976, $6,000,000 for fiscal year 1977, and $6,000,000 for fiscal year 1978.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 798. (a) The Secretary may make grants to and enter into contracts with State and local educational agencies and other public or nonprofit private entities—

"(1) to (A) identify individuals of financial, educational, or cultural need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied health personnel, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary school, (ii) undertake such postsecondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake postsecondary allied health personnel training; and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to section 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for fiscal year 1976, $1,000,000 for fiscal year 1977, and $1,000,000 for fiscal year 1978.

"STATISTICS AND ANNUAL REPORT

"SEC. 799. (a) The Secretary shall, in coordination with the National Center for Health Statistics (established under section 306), continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including—

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendation for legislation as the Secretary determines is needed to improve the programs authorized under this part. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1976.".

TITLE VIII—MEDICAL RESIDENCY TRAINING PROGRAMS

MEDICAL RESIDENCY TRAINING PROGRAMS

SEC. 801. The Public Health Service Act is amended by adding at the end the following new title:

"FIRST-YEAR POSITIONS IN MEDICAL RESIDENCY TRAINING PROGRAMS

"SEC. 1701. (a) The number of first-year positions in any accredited medical residency training program in the United States which may be made available in a calendar year beginning after calendar year 1977 may not exceed such number as may be designated for such calendar year for such program under section 1703; and, except as provided in subsection (f) (3), the aggregate number of first-year positions in all accredited medical residency training programs in the United States which may be made available—

"(1) in calendar year 1978 may not exceed 155 per centum of the estimated number of graduates from accredited schools of medicine in calendar year 1977,

"(2) in calendar year 1979 may not exceed 140 per centum of the estimated number of graduates from accredited schools of medicine in calendar year 1978, and

"(3) in a calendar year beginning after calendar year 1979 may not exceed 125 per centum of the estimated number of graduates from accredited schools of medicine in the calendar year preceding the calendar year to which the limit on the number of positions applies.

"(b) (1) (A) The compensation of a doctor of medicine or a doctor of osteopathy receiving training in a medical residency training program may not be included in determining Federal payments under title V, XVIII, or XIX of the Social Security Act if—

"(i) the program is not an accredited medical residency training program, or

"(ii) the number of first-year positions in the program is in excess of the number of such positions designated for such program under section 1703.

(B) With respect to any entity—

"(i) which is reimbursed on a per capita, fixed fee, or negotiated rate basis for the provision of health care, and

"(ii) in which is located a medical residency training program described in clause (i) or (ii) of subparagraph (A),

in determining Federal payments under title V, XVIII, or XIX of the Social Security Act, the Secretary shall exclude an amount which in his judgment is a reasonable equivalent to the amount which would otherwise be excluded under this paragraph if payment were to be made on other than such per capita, fixed fee, or negotiated rate basis.

"(2) If the Secretary determines that an entity is operating a medical residency training program—

"(A) which is not an accredited medical residency training program, or

"(B) with a number of first-year positions which exceeds the number designated for that program under section 1703,

the Secretary shall notify the entity of his determination, shall publish the determination in the Federal Register, and shall not make any grant or to enter into any contract with such entity under this Act for the fiscal year beginning after the date the Secretary publishes such determination in the Federal Register.

"(3) Paragraphs (1) and (2) of this subsection shall apply with respect to medical residency training programs which, in a calendar year beginning after calendar year 1977, are not accredited medical residency training programs or have a number of first-year positions in excess of the number designated under section 1703.

"(c) For purposes of this title:

"(1) The term 'medical residency training program' means a program which trains graduates of schools of medicine and schools of osteopathy in a medical specialty recognized by the Liaison Committee for Specialty Boards established jointly by the American Board of Medical Specialties and the Council on Medical Education of the American Medical Association and which provides the graduate education required by the specialty board (recognized by such Liaison Committee) for certification in such specialty. Such term does not include a residency training program in an osteopathic hospital.

"(2) The term 'accredited medical residency training program' means a program for which an accreditation under section 1702 is in effect.

"(3) The term 'accredited schools of medicine' means schools of medicine accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education.

"(4) Any reference to the Liaison Committee for

Specialty Boards, the American Board of Medical Specialties, the Council on Medical Education of the American Medical Association, the Liaison Committee on Graduate Medical Education of the Coordinating Council on Medical Education, or the Coordinating Council on Medical Education shall be considered a reference to any successor to the committee, board, or council.

"MEDICAL RESIDENCY TRAINING PROGRAM ACCREDITING AGENCY

"SEC. 1702. (a) (1) For the purpose of accrediting the medical residency training programs for which first-year positions may be designated under section 1703, the Secretary shall in accordance with subsection (b) designate or establish a medical residency training program accrediting agency (hereinafter in this section referred to as the 'accrediting agency').

"(2) The accrediting agency shall review, in accordance with criteria and procedures established and published by the agency and made available to the public, each medical residency training program in the United States and shall either accredit or disapprove such program. Each such program shall be reviewed at least every three years and an accreditation of a program shall be in effect for three years unless the accrediting agency terminates the accreditation before the expiration of three years. For the period prior to

January 1, 1980, the accrediting agency may accredit such a program on the basis of an accreditation granted such program by an entity generally recognized by the medical profession for purposes of accrediting such a program.

"(3) Not later than April 1, 1976, and April 1 of each succeeding year, the accrediting agency shall submit to—

"(A) the agency designated under section 1703, or

"(B) the Secretary and the advisory council established under such section,

as may be appropriate, a list of the medical residency training programs accredited for the *second* calendar year following the calendar year in which the list is submitted. The accrediting agency shall keep current each list it submits pursuant to this paragraph.

"(b) (1) (A) The Secretary is authorized to receive not later than August 31, 1975, an application from the Liaison Committee on Graduate Medical Education of the Coordinating Council on Medical Education (hereafter in this section referred to as the 'Liaison Committee') for designation as the accrediting agency.

"(B) The Secretary shall by October 1, 1975, either approve or disapprove an application of the Liaison Committee submitted under subparagraph (A). If the application contains or is supported by assurances satisfactory to the Secretary that the Liaison Committee will carry out the functions and duties of an accrediting agency in accordance with the requirements of this section, the Secretary shall approve the application. If the Secretary disapproves such an application, he shall provide the Liaison Committee with such technical and other nonfinancial assistance as may be appropriate to enable the Liaison Committee to provide the Secretary with such assurances. If by November 1, 1975, the Liaison Committee provides such assurances, he shall approve its application and designate it as the accrediting agency.

"(2) If the Liaison Committee has not submitted an application under paragraph (1) (A) or if the Secretary has not approved an application submitted by the Liaison Committee, the Secretary, not later than November 15, 1975, shall solicit the submission by other entities of applications for designation as the accrediting agency and shall prescribe and publish in the Federal Register requirements which must be met by any such entity before it may be designated as the accrediting agency for purposes of this title. Such requirements shall provide that such an entity—

"(A) have a governing body which is comprised of representatives of the medical profession, medical specialty boards, medical specialty societies, hospitals, schools of medicine, and the general public; and

"(B) meet the criteria established by the Secretary for recognition of nationally recognized accrediting agencies and associations.

Applications from such other entities may be received by the Secretary through December 31, 1975. The Secretary shall, if he determines that an entity under such an application meets the requirements prescribed under this paragraph and is otherwise qualified to accredit medical residency training programs, designate, not later than February 1, 1976, such entity as the accrediting agency.

"(3) (A) A designation of an accrediting agency shall be in effect for three years unless the Secretary terminates such designation before the expiration of three years upon a determination by the Secretary (after notice and reasonable opportunity for a public hearing) that the agency no longer meets the requirements of paragraph ~~(1)~~ *(2)* or is not qualified to accredit medical residency training programs. A designation may, upon application, be renewed for a period of three years.

"(B) If the Secretary terminates a designation or determines a designated accrediting agency is not qualified to have its designation renewed, the Secretary shall publish notice of such termination or determination and solicit applications from other entities for designation as the accrediting agency.

"(4) (A) If—

"(i) by February 1, 1976, the Secretary determines that no entity which has applied for designation under paragraph (2) meets the requirements prescribed under such paragraph or is otherwise qualified to accredit medical residency training programs or if by December 31, 1975, no entity has applied under such paragraph for designation, or

"(ii) upon the expiration of a designation under this section, the Secretary determines that the designated agency is not qualified to have its designation renewed and that there are no qualified applicants for designation, or upon the termination of such a designation the Secretary determines that there are no qualified applicants for designation,

the Secretary shall, within ~~three months~~ *one month* of the determination (or if no application has been submitted by December 31, 1975, not later than ~~March~~ *February* 1, 1976), establish an accrediting agency for purposes of this title.

"(B) An accrediting agency established by the Secretary under subparagraph (A) shall meet the criteria established by the Secretary for recognition of nationally recognized accrediting agencies and associations and be composed of members who are fairly representative of the medical profession, medical specialty boards, medical specialty societies, hospitals, schools of medicine, and the general public. While away from their homes or regular places of business in the performance of services for the agency established under subparagraph (A), members of the agency shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code. The agency may appoint and pay, without regard to the provisions of title 5, United States Code, respecting appointments in the competitive service and rates of pay, such personnel as it deems necessary for the agency to carry out its functions.

"(C) The establishment of an accrediting agency under subparagraph (A) shall be for such period (but not more than three years) as the Secretary prescribes. If an accrediting agency has been established by the Secretary an entity may apply for designation as such agency upon the termination of the period for which the accrediting agency was established. If no entity submits an approvable application for designation before the date of such termination, the Secretary shall renew the authority of the established accrediting agency for a period not to exceed three years.

"(5) The Secretary may, upon application of an agency designated under this section as the accrediting agency, agree to assist the agency in meeting its costs in carrying out its functions and duties under this section.

"DESIGNATION OF POSITIONS

"SEC. 1703. (a) The number of first-year positions in each accredited medical residency training program in the United States which may be made available in any calendar year beginning after calendar year 1977 shall be designated in accordance with this section and section 1701 (a).

"(b) (1) (A) The Secretary is authorized to receive not later than August 31, 1975, an application from the Coordinating Council ~~for~~ *on* Medical Education (which upon its establishment had a governing body comprised of the Secretary (or his delegate), representatives of the American Medical Association, the American Board of Medical Specialties, the Council of Medical Specialty Societies, the American Hospital Association, and the Association of American Medical Colleges, and representatives of the general public) for designation as the agency to designate the number of first-year positions which may be made available in each calendar year (beginning with calendar year 1978) by accredited medical residency training programs.

"(B) The Secretary shall by October 1, 1975, either approve or disapprove an application submitted under subparagraph (A). The Secretary may not disapprove such an application unless he determines that the Coordinating Council on Medical Education (hereinafter in this section referred to as the 'Council') fails to meet such requirements as the Secretary shall prescribe respecting qualifications to make the designations prescribed by this section. If the Secretary disapproves such an application, he shall provide the Council with such technical and other nonfinancial assistance as may be appropriate to enable the Council to meet such requirements. If by November 1, 1975, the Council meets such requirements, he shall approve its application and designate it as the agency to make the medical residency training program designations prescribed by this section.

"(C) If by August 31, 1975, the Council has not submitted an application under subparagraph (A) or if by November 1, 1975, the Secretary has not approved an application submitted by the Council, the Secretary shall establish the advisory council prescribed by subsection (c).

"(2) (A) A designation of the Council under paragraph (1) shall be in effect for three years unless the Secretary terminates such designation before the expiration of three years upon a determination by the Secretary (after notice and reasonable opportunity for a public hearing) that the Council is not qualified to designate in accordance with this subsection the number of first-year positions in accredited medical residency training programs. A designation of the

Council may, upon its application, be renewed for a period of three years.

"(B) If the Secretary terminates a designation of the Council, the Secretary shall publish in the Federal Register notice of such termination and shall, within three months of such termination, establish the advisory council prescribed by subsection (c), or if the Council does not apply for renewal of its designation, the Secretary shall, not later than the expiration of the Council's designation, establish the advisory council prescribed by subsection (c).

"(3) If the Council is designated under paragraph (1), it shall for the calendar years ~~within~~ *beginning in* the effective period of its designation designate as follows the number of first-year positions which may be made available in each such calendar year by accredited medical residency programs:

"(A) The designation of such positions for the calendar year 1978 shall be made and published in the Federal Register not later than April 1, 1977. The designation of such positions for any succeeding calendar year shall be made and published in the Federal Register not later than April 1 of the calendar year preceding the calendar year for which the designation is made. Each entity which conducts an accredited medical residency training program shall be given written notice by the Council of the number of first-year positions which may be made available in such program.

"(B) Designations by the Council shall be made in accordance with the requirements of section 1701 and shall be based on a continuing assessment by the Council of (i) the needs for physicians' services in health care entities in which accredited medical residency training programs are located and in the geographical regions served by such entities, and (ii) the effect of a reduction of the number of positions in such a program on the accessibility to, and quality of care provided by, the entity in which the program is located.

"(C) In designating the number of first-year positions, the Council shall—

"(i) take into consideration appropriate studies made with respect to medical services and manpower, including the report made with respect to the study conducted under section 15 (c) of the Act of December 31, 1973 (Public Law 93–233), and the report made with respect to the study conducted under section 901 of the Health Manpower Act of 1975;

"(ii) insure that first-year positions in medical residency training programs are distributed equitably

throughout various geographical areas of the United States;

“(iii) afford special consideration to first-year positions in medical residency training programs maintained in conjunction with area health education centers under section ~~783~~ *784* of this Act; and

“(iv) afford particular attention to the need for medical residency training programs in the primary care specialties of family medicine, general internal medicine, general pediatrics, and obstetrics and gynecology.

“(4) If the Council is designated under paragraph (1) of this subsection the Secretary may upon application agree to assist the Council in meeting the costs of carrying out the function and duties of making the designations required by paragraph (3).

“(c) (1) As prescribed by subsection (b), the Secretary shall establish (not later than January 1, 1976, or within such other time as may be prescribed by subsection (b) (2) (B)) an advisory council to perform the functions prescribed by subsection (d). The advisory council shall consist of twenty-one members as follows:

“(A) The Assistant Secretary of Health, Education, and Welfare for Health, the Administrator of the Health Resources Administration of the Department of

Health, Education, and Welfare, the Chief Medical Director of the Veterans' Administration, and the Dean of the Uniformed Services University of the Health Sciences (established under chapter 104 of title 10 of the United States Code) shall each serve as nonvoting ex officio members of the advisory council.

"(B) Seventeen members appointed by the Secretary as follows:

"(i) Two members shall be appointed from at least four individuals nominated by the American Medical Association.

"(ii) Two members shall be appointed from at least four individuals nominated by the American Hospital Association.

"(iii) Two members shall be appointed from at least four individuals nominated by the Association of American Medical Colleges.

"(iv) Two members shall be appointed from at least four individuals nominated by the American Board of Medical Specialties.

"(v) Two members shall be appointed from at least four individuals nominated by the Council of Medical Specialty Societies.

"(vi) Six members shall be appointed from persons who are representative of the interests of consumers of health care and who are not providers of health care (as defined in section 1531 (3)).

"(vii) One member shall be appointed from persons who are receiving training under a medical residency training program.

If by the date the Secretary is required to establish the advisory council an entity referred to in clause (i), (ii), (iii), (iv), or (v) of subparagraph (B) has not nominated for appointment to the advisory council at least four individuals, the Secretary shall, from individuals whom the Secretary determines are representative of the interests of such entity, appoint the number of advisory council members prescribed by that clause.

"(2) The term of office of an appointed member of the advisory council shall be three years; except that (A) of the members first appointed to the advisory council—

"(i) five shall serve for terms of one year,

"(ii) six shall serve for terms of two years, and

"(iii) six shall serve for terms of three years,

as designated by the Secretary at the time of appointment, and (B) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

"(3) Members of the advisory council (other than officers or employees of the United States), while attending conferences or meetings of the council or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at rates to be fixed by the Secretary, which rates may not exceed the daily equivalent for grade GS-18 of the General Schedule for each day (including traveltime) they are so engaged; and while so serving away from their homes or regular places of business each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.

"(d) The advisory council established under subsection (c) shall carry out the following functions:

"(1) The advisory council shall make a continuing assessment of (A) the needs for physicians' services in health care entities in which accredited medical residency training programs are located and in the geographical regions served by such entities, and (B) the effect of a reduction of the number of positions in such a program on the accessibility to, and quality of care provided by, the entity in which the program is located.

"(2) (A) Based on the assessment made under paragraph (1) and subject to subparagraph (B), the advisory council shall ~~annually~~, *with respect to the calendar year for which the advisory council is authorized to make recommendations,* prepare and submit to the Secretary recommendations with respect to—

"(i) the total number of first-year positions which should be offered in ~~each calendar year (beginning with calendar year 1978)~~ *such calendar year* by accredited medical residency training programs in each of the medical specialties recognized by the Liaison Committee for Specialty Boards, and

"(ii) the number of first-year positions which should be offered in ~~each calendar year (beginning with calendar year 1978)~~ *such calendar year* by each entity conducting an accredited medical residency training program.

The recommendations of the advisory council with respect to first-year positions in medical residency training programs in any calendar year shall be submitted to the Secretary not later than January 1 of the preceding calendar year.

"(B) Before making recommendations under subparagraph (A), the advisory council shall consult with appropriate medical specialty and health care organizations and—

"(i) take into consideration appropriate studies made with respect to medical services and manpower, including the report made with respect to the study conducted under section 15(c) of the Act of December 31, 1973 (Public Law 93-233), and the report made with respect to the study conducted under section 901 of the Health Manpower Act of 1975;

"(ii) insure that first-year positions in medical residency training programs are distributed equitably throughout various geographical areas of the United States;

"(iii) afford special consideration to first-year positions in medical residency training programs maintained in conjunction with area health education centers under section ~~783~~ *784* of this Act; and

"(iv) afford particular attention to the need for medical residency training programs in the primary care specialties of general internal medicine, general pediatrics, family medicine, and obstetrics and gynecology.

"(e)(1) The Secretary shall publish in the Federal

Register, not later than January 15 of each year, the recommendations submitted under subsection (d) (2) (A) by the advisory council. The Secretary shall give interested persons an opportunity to submit written data, views, or arguments, respecting the recommendations. If, after considering comments submitted with respect to such recommendations, the Secretary finds that the recommendations—

"(A) are in accordance with the requirements of section 1701 (a),

"(B) meet the specifications of clauses (ii), (iii), and (iv) of subsection (d) (2) (B), and

"(C) are otherwise in the public interest,

he shall, in accordance with such recommendations, by regulation designate the first-year positions to be made available in medical residency training programs in the calendar year with respect to which such recommendations were made. If the Secretary is unable to make the findings described in the preceding sentence with respect to any recommendations submitted by the advisory council, he shall by regulation designate, in accordance with section 1701 (a), the specifications of such clauses (ii), (iii), and (iv), and such other criteria respecting the public interest as he determines appropriate, the number of first-year positions to be made available by accredited medical residency training programs in the calendar year with respect to which the recommendations were submitted.

"(2) The designations made by the Secretary under paragraph (1) for any calendar year shall be made by, and published in the Federal Register not later than, April 1 of the preceding calendar year, and each entity which conducts an accredited medical residency training program shall be given written notice of the number of first-year positions which may be made available in such program.

"([illegible]) (1) If the number of first-year positions designated under this section for a medical residency training program for calendar year 1978 is less than the number made available in such program in the preceding calendar year or if the number of such positions designated for calendar year 1979 or 1980 is less than the number designated under this section for the preceding calendar year, then, within thirty days of the date the entity in which such program is located is notified pursuant to subsection (b) (3) (A) or (e) (2) of such lesser number of first-year positions which it may make available in the training program, such entity may apply to the Coordinating Council or the Secretary, as appropriate, to have such number raised to a number not more than the number of such first-year positions (A) made available in the preceding calendar year if such year was calendar year 1977, or (B) designated for the preceding calendar year if such year was calendar year 1978 or 1979.

"(2) The Secretary or the Coordinating Council, as the case may be, shall within sixty days of the date an application is submitted under paragraph (1) either approve or disapprove such application. The Secretary or the Coordinating Council may not approve such an application unless—

"(A) the Secretary or the Coordinating Council, as the case may be, determines that without the increase requested in the application the applicant will be unable to deliver needed patient-care services, and

"(B) (i) the applicant establishes the impact of a disapproval of the application upon needed patient-care services, and

"(ii) the applicant demonstrates the efforts made by the applicant to provide such services through health professionals who are not receiving training in a medical residency training program of the applicant,

If such an application is approved, a reference in this title to the number of first-year positions designated for the medical residency training program with respect to which the application was submitted is a reference to the number of such positions as increased under the approved application.

"(3) An application under paragraph (1) may be approved even though approval of the application will cause the aggregate number of first-year positions authorized under this section to be made available in all accredited medical residency training programs in the calendar year with respect to which the application is submitted to exceed the limit prescribed by section 1701 (a) for such calendar year.

"(g) The Secretary shall provide technical assistance to health care entities which because of the requirements of section 1701 experience a decline in the number of physicians providing health services through such entities to assist such entities in securing other health personnel (including physician's assistants and nurse practitioners).

"REPORTS

"SEC. 1704 The Secretary shall submit annually to the Congress a report on the operation of this title and the effect of this title on the accessibility to, and quality of care provided by, health care entities which because of the requirements of section 1701 experience a decline in the number of physicians providing services through such entities.".

TITLE IX—MISCELLANEOUS

STUDY OF DISTRIBUTION OF PHYSICIANS

SEC. 901. (a) The Secretary of Health, Education, and Welfare shall, within ninety days after the date of the enactment of this Act, contract for the conduct of a study for the following purposes:

(1) To analyze the current distribution of physicians by specialty. In making such analysis—

(A) the geographical distribution of medical and osteopathic physicians by specialty and subspecialty and by geographic area shall be determined, and in connection with such determination physician specialties and subspecialties shall be defined in a manner consistent with recognized categories and geographical areas shall be defined as reasonable medical trade areas for each specialty or subspecialty; and

(B) special attention shall be given to determining (i) the percentage of time physicians in each specialty and subspecialty spend in primary care activities and in other activities unrelated to their specialty training, and (ii) the percentage of time primary care physicians spend in specialty care.

(2) To project the expected distribution of physicians by specialty and subspecialty by geographic area in the years 1980, 1985, and 1990. Such projection shall be based on current trends in physician specialty training and choice of practice sites, the activities of various specialty boards and other organizations, and the retire-

ment-death rate of physicians by specialty and subspecialty.

(3) To examine and evaluate the various methodologies for estimating the optimal distribution of physicians by specialty and subspecialty by geographic area controlling the supply of specialists and subspecialists. Methodologies examined and evaluated shall include (A) methodologies utilized by foreign countries, and (B) consideration of the use of nonphysicians to perform functions normally performed by physicians.

(4) To develop a reliable and appropriate methodology to establish the optimal distribution of physicians by specialty and subspecialty by geographic area. Utilizing such methodology, projections shall be made for the optimal number of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990.

(b) The organization selected by the Secretary to conduct the study required by subsection (a) shall—

(1) have a national reputation for objectivity in the conduct of studies for the Federal Government;

(2) have the capacity to readily marshal the widest possible range of expertise and advice relevant to the conduct of such study;

(3) have a membership and competent staff which have backgrounds in government, the health sciences, and the social sciences;

(4) have a history of interest and activity in health policy issues related to such study; and

(5) have extensive existing contracts with interested public and private agencies and organizations.

(c) An interim report providing a plan for the study required by subsection (a) shall be submitted by the organization conducting the study to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate by October 31, 1975; and a final report giving the results of the study shall be submitted by such organization to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate by October 31, 1976.

(d) The Secretary shall make an annual report to the Congress describing and evaluating the impact of the programs of assistance authorized by title VII of the Public Health Service Act on the number and distribution of, and quality of care provided by, health professionals in areas not within Standard Metropolitan Statistical Areas.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 902. The Secretary of Health, Education, and

Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 795 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

ALLIED HEALTH PERSONNEL STUDY

SEC. 903. (a) (1) The Secretary of Health, Education, and Welfare shall, in accordance with paragraph (2) arrange for the conduct of studies—

(A) to identify the various types of allied health personnel and the activities in which such personnel are engaged and the various training programs currently offered for allied health personnel;

(B) to establish classifications of allied health personnel on the basis of their activities, responsibilities, and training;

(C) using appropriate methodologies, to determine the cost of educating and training allied health personnel in each classification; and

(D) to identify the classifications in which there are a critical shortage of such personnel and the training programs which should be assisted to meet that shortage.

(2) (A) The Secretary shall request the National Academy of Sciences to conduct such studies under an arrangement under which the actual expenses incurred by such Academy in conducting such studies will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such studies.

(B) If the National Academy of Sciences is unwilling to conduct one or more such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations under which such groups or associations will conduct such studies and prepare and submit the reports thereon as provided in subsection (b).

(b) The studies required by subsection (a) shall be completed within the two-year period beginning on the date of the enactment of this Act; and a report on the results of such study shall be submitted by the Secretary to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate before the expiration of such period.

(c) Within six months after the date prescribed for the completion of the studies under subsection (a), the Secretary of Health, Education, and Welfare shall transmit to Congress such recommendations for legislation as he determines is necessary to provide appropriate support for the training programs referred to in subsection (a) (1) (D).

STUDY OF FUNDING ALTERNATIVES FOR HEALTH PROFESSIONS EDUCATION

SEC. 904. The Secretary shall arrange for the conduct of a study or studies to (1) determine the factors affecting the costs of schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, and pharmacy in conducting their respective educational programs, (2) identify and evaluate the current sources of revenue (including grants under the Public Health Service Act and other sources of Federal and State financial assistance) available to such schools to meet such costs, and (3) identify and evaluate alternative sources of revenue which may be developed to meet such costs. The Secretary shall provide that the entity or entities conducting such study or studies shall solicit and consider the views of appropriate professional organizations representative of the interests of such schools. The Secretary shall report the results of the study, together with recommendations for such legislation as he may deem appropriate, to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate not later than June 30, 1976.

RECOVERY

SEC. 905. Title V is amended by adding at the end thereof the following new section:

"RECOVERY

"SEC. 514. If, within twenty years (or ten years in the case of a facility constructed under funds paid under part A of title VII (as in effect before the date of the enactment of the Health Manpower Act of 1975)) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D of such title VII (as in effect before July 1, 1967)—

"(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

"(2) such facility shall cease to be used for the purposes for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.".

DEFINITION OF STATE

SEC. 906. (a) Section 2(f) is amended to read as follows:

"(f) Except as provided in sections 314(g)(4)(B), 317(h)(2), 318(c)(1), 330(a)(2), 355(5), 361(d), 1002(c), 1201(2), 1410(13), 1531(1), and 1633(1), the term 'State' includes, in addition to the several States, only the District of Columbia, Guam, the Commonwealth of Puerto Rico, and the Virgin Islands."

(b)(1) Section 361(d) is amended by adding at the end thereof the following: "For purposes of this subsection, the term 'State' includes, in addition to the several States, only the District of Columbia.".

(2) Section 1410 is amended by adding after paragraph (12) the following new paragraph:

> *"(13) The term 'State' includes, in addition to the several States, only the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.".*

Union Calendar No. 127

94TH CONGRESS
1ST SESSION

H. R. 5546

[Report No. 94–266]

A BILL

To amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

By Mr. ROGERS, Mr. PREYER, Mr. SYMINGTON, Mr. CARNEY, Mr. SCHEUER, Mr. WAXMAN, Mr. HEFNER, Mr. FLORIO, Mr. WIRTH, Mr. CARTER, Mr. BROYHILL, Mr. HASTINGS, and Mr. HEINZ

MARCH 26, 1975

Referred to the Committee on Interstate and Foreign Commerce

JUNE 7, 1975

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed